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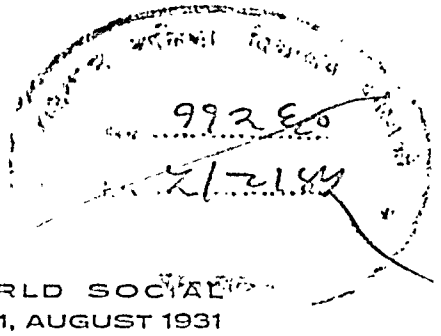
WORLD SOCIAL ECONOMIC PLANNING

THE NECESSITY FOR PLANNED ADJUSTMENT OF PRODUCTIVE CAPACITY AND STANDARDS OF LIVING





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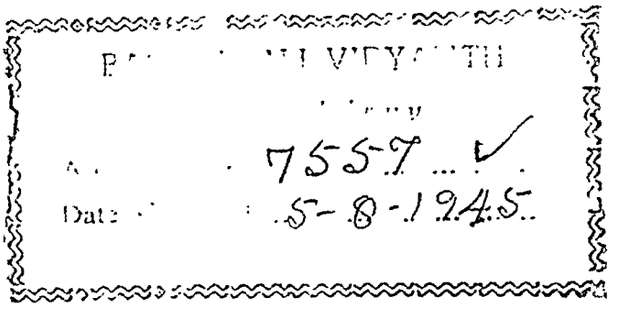
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PREFACE.

The following pages[1] offer to the reader the unique material resulting from the World Social Economic Congress which took place in August 1931 at Amsterdam (Holland) under the auspices of the International Industrial Relation Association[2] (I. R. I.).

A companion publication, which has already appeared earlier in the course of the present year under the title of "International Unemployment", contains introductory analyses of fluctuations in employment prepared for study in advance of the Congress. These analyses are intended to give a picture of the recurrence of unemployment in different parts of the world during the two decades which have ended in the present world-wide industrial depression.

The "Call for the Congress", which accompanied the Programme, made the following appeal:

"Unemployment today is widespread throughout the world. Markets are restricted by lack of purchasing power. Yet productive capacity has been enhanced at an increasingly rapid rate by mechanization and the advance of technological invention. In a world of enlarged economic resources, employment is insecure and standards of living have not been raised or maintained in proportion to the increase in production. Maladjustment exists between economic capacity and buying power.

In the present stage of economic life, the task of achieving balance seems to demand international economic co-operation. Development of means of transport and communication is day by day establishing unity as the coming stage of economic evolution. The process is not yet complete. Some regions

[1] For the sake of convenience in handling this volume, the Addendum, which consists mainly of translations and includes a complete List of Participants and Organizations represented, has been printed in a separate volume.

[2] Reconstituted into the "International Industrial Relations Institute" on March 31st 1932.

of the world remain largely self-sufficient. Others are more closely interdependent. But interdependence is rapidly taking the place of self-sufficiency. This constitutes the factual aspect of the subject.

Nations and industries, however, do not yet seem to be fully conscious of this actual growth toward unity, and their policies are still largely shaped toward self-sufficiency as an objective, often to the detriment of human welfare, which can be assured only if economic and political policies are based upon the realities of economic development. To increase the number of persons who are aware of this economic interdependance and determined so to act in accordance with it as to meet human needs more adequately in all nations, is an aspiration which is at once ethical and realistic.

Economics, the social sciences and scientific management, all have information to bring to bear upon the problem of planned adjustment, whilst the growth of economic interdependence gives the opportunity to apply this knowledge. Planned adjustment is a co-operative task, and the rapid growth of interdependence which is making all nations suffer together is at the same time the occasion for all nations and all groups to act together toward a solution. If one group imposes its limited interest upon another, if output be unreasonably restricted by labor, if prices be held artificially high by monopolistic business, or if they be forced too low by destructive competition, if governments limit the contribution of their national areas to the world's economic life, balance is disturbed for all. On the other hand, if all can act in the light of common knowledge and toward a common purpose, a synthesis of fact and aspiration may emerge as a new lead in international economic policy.

No attempt is made in the Congress program to insure presentation of the problems of nations as such. National experience is emphasized only as illustrative of a special phase

of economic adjustment or maladjustment. The emphasis in reports on the experience of any one country is upon its potential contribution to economic co-operation with other countries. The point of view of the Congress is best expressed by the word "world" rather than by the word "international". It is believed that a clear view of the present realities of world economic unity would afford a basis for national policy directed toward international economic co-operation, and it seems to be a sound procedure to discuss economic facts rather than the political policies of different nations. The world's experience today points to the conclusion that "economic integration must precede political co-operation. Conversely, the test of political wisdom seems to lie in the contribution which a nation makes to better adjustment of the world's economic life. Awareness of economic unity would, moreover, make war impossible and peace a reality.

The I. R. I. invites to participate in this Congress not only its own members, but likewise all who, either from study or experience, have a contribution to make or who seek to share in a growing awareness of the unity of economic life. It offers its platform to leaders of business and labor, economists, management engineers and representatives of governmental activities to seek for a sound basis of co-operative, constructive effort toward a planned development of productive capacity and standards of living."

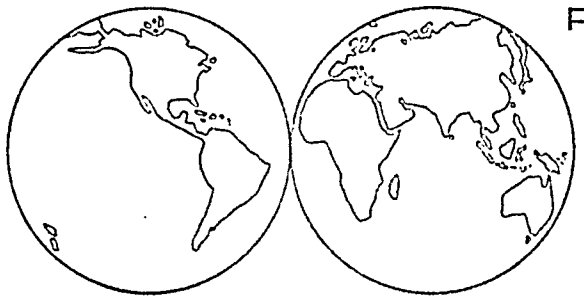
Preceding the material contributed at the Congress itself, the reader will find an analysis and review of this in the English language, by Mary van Kleeck, Chairman of the Program Committee. In this review is vividly brought to light the essence of the contributions made both in the formal addresses and in the ensuing discussions. It moreover provides the opportunity of doing justice to many more points of view expressed in the discussions than could well be included in full in this publication.

PREFACE

The reader's attention is drawn to the line of thought which runs through the Program as developed in its consecutive sections, and culminating in the recognition of "The Necessity for World Social Economic Planning". A plea for a rational world order was put forward in a brilliant essay entitled "The Great Analysis" by William Archer, written as long ago as 1912, of which the final paragraph may aptly be quoted here:

"In one form or another, a world order must one day arrive. It may come as a benefaction, or it may come as a calamity; and assuredly the best way to avert the latter alternative is to study, from a planetary point of view, the conditions and potentialities of life for the crew of sentient creatures who have somehow been marooned on this island in space. The human intellect, organizing, order-bringing, must enlarge itself so as to embrace, in one great conspectus, the problems, not of a parish, or of a nation, but of the pendant globe."

The Hague, July 1932.



PROGRAM

OF THE

1931

WORLD SOCIAL ECONOMIC CONGRESS

UNDER THE AUSPICES OF THE INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION (I. R. I.)
66 JAVASTRAAT · THE HAGUE · HOLLAND

PLACE: AMSTERDAM · HOLLAND

DATE: AUGUST 23 EVENING TO 29 MORNING

SUBJECT: SOCIAL ECONOMIC PLANNING
THE NECESSITY FOR PLANNED ADJUSTMENT OF PRODUCTIVE CAPACITY AND STANDARDS OF LIVING

PRESIDING OFFICER: C. H. VAN DER LEEUW
PRESIDENT INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION

MEETING PLACE: KOLONIAAL INSTITUUT
AMSTERDAM

SUNDAY
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20.— OPENING MEETING. REPORT ON CONGRESS PROCEDURE, FOLLOWED BY INFORMAL RECEPTION.

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I. THE PRESENT PARADOX—UNEMPLOYMENT IN THE MIDST OF ECONOMIC PROGRESS

9.— Address by Dr. F. Wibaut, Senator, Member of the Town Council of Amsterdam

9.15 1. THE SIGNIFICANCE OF WORLD-WIDE UNEMPLOYMENT

Speaker: Dr. Max Lazard, Paris

Interpretation of reports on fluctuations in employment and unemployment in various countries, 1910-1930 (Great Britain, France, Australia, U. S. A., Canada, U. S. S. R., China, Germany), printed and available in advance; by Dr. F. C. Benham, London School of Economics and Political Science, formerly lecturer in the University of Sydney, Australia; Dr. W. A. Berridge, Metropolitan Life Insurance Company, U.S.A., and member of Committee on Governmental Labor Statistics of the American Statistical Association; Dr. Susan M. Kingsbury and Dr. Mildred Fairchild, Bryn Mawr College, U.S.A.; L. K. Tao, Director, and S. H. Lin, Institute of Social Research, Peiping, China; and Dr. Robert Wilbrandt, Technische Hochschule, Dresden, Germany.

10.15 2. RECENT GROWTH IN THE WORLD'S PRODUCTIVE CAPACITY.

Speaker: Dr. Otto Neurath, Director, Social Economic Museum, Vienna

11.15 Intermission

11.30 Discussion: Dr. F. C. Benham, London School of Economics and Political Science (University of London); Dr. Robert Wilbrandt, Technische Hochschule, Dresden.

General Discussion: Valery V. Obolensky-Ossinsky, Member of the Institute for Economic Research of the State Planning Commission (Gosplan) Moscow; Dr. Otto Neurath, Director, Economic Museum, Vienna.

12.45 Adjournment

II. PRINCIPLES AND PRACTICABILITY OF ECONOMIC PLANNING

14.15 1. PRINCIPLES AND PRACTICE OF SCIENTIFIC MANAGEMENT: UNITED STATES

Speaker: Dr. H. S. Person, Managing Director of the Taylor Society, New York: formerly Director of the Amos Tuck School of Administration and Finance, Dartmouth College, U. S. A.

14.45 2. PRINCIPLES AND PRACTICE OF SCIENTIFIC MANAGEMENT: EUROPE

Speaker: Hugo von Haan, International Management Institute, Geneva

15.15 Discussion: Dr. Heinz Ludwig, Member of Board of Directors, Hermann Meyer & Co. A.G., Berlin; Edmond Landauer, Secrétaire Général du Comité International de l'Organisation Scientifique, Paris; Ing. Dr. Stan. Spacek, Ministry of Public Works, Tcechoslovakia; Wallace Clark, Consulting Engineer, New York and Paris; Henri Pauwels, Secrétaire Général, Confédération des Syndicats Chrétiens de Belgique, Bruxelles.

16.15 Intermission

16.30 General Discussion: Professor Dr. Goetz Briefs, Director of Institute for Industrial Sociology and Social Science, Technische Hochschule, Berlin; Dr. Hans Pruppacher, Consulting Management Engineer, Zürich; Professor F. Wilken, Lecturer in Economics and Sociology at the University of Freiburg i.B.

17.45 Adjournment

TUESDAY
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9.— 3. THE PROBLEM OF PLANNED ECONOMY

Speaker: Dr. Lewis L. Lorwin, Institute of Economics of the Brookings Institution, Washington, D.C., U.S.A.

9.45 Discussion: Professor J. B. Tayler, M.Sc., Professor of Economics, Yenching University, Peiping, CHINA; Bertrand de Jouvenel, author of "l'Economic Dirigée", Paris; Gerald Barry, Editor, Week-end Review, London.

11.— Intermission

11.15 Continuation of Discussion: Dr. F. Meyer zu Schwabedissen, Partner Bertelsmann & Niemann, Bielefeld, GERMANY

11.40 General Discussion: L. Urwick, Director, International Management Institute, Geneva; Henri Dubreuil, International Labour Office, Geneva, formerly Secretary of General Federation of Trade Unions, Paris; F. Rajniss, Vice-Director of the Hungarian Social Insurance Institute, Budapest; S. L. Ronin, Member of the Institute for Economic Research and of the State Planning Commission (Gosplan), Moscow; Dr. Max Lazard, Paris; Dr. Fritz Pollock, Institute for Social Research, University of Frankfort a.M.

12.45 Adjournment

III. EXPERIENCE IN NATIONAL ECONOMIC PLANNING:

A. AGRICULTURAL B. INDUSTRIAL

14.15 THE UNION OF SOVIET SOCIALIST REPUBLICS

Speakers: Valery V. Obolensky-Ossinsky, Economist, Member of the Institute for Economic Research of the State Planning Commission (Gosplan), Moscow; Head of U. S. S. R. Delegation to 1927 World Economic Conference, Geneva

Assisted by: Solomon Ronin, Member of the Institute for Economic Research and Member of the State Planning Commission (Gosplan); Aron Gayster, Vice-President of the Agricultural Academy of the U. S. S. R. and Member of the State Planning Commission (Gosplan); Ivan Kraval, Director of the Labor Research Institute; Alexander Cohn, Director of the Institute for Foreign Trade, Moscow.

TUESDAY (cont'd)

16.— Intermission

16.15 General Discussion: Dr. Lewis L. Lorwin, Institute of Economics of the Brookings Institution, Washington; Dr. Heinz Ludwig, Member of Board of Directors, Herman Meyer & Co. A.-G., Berlin; Professor F. Wilken, Lecturer in Economics and Sociology at the University of Freiburg i.B.; Dr. Rudolf Broda, Assoc. Professor of Social Science, Antioch College, Yellow Springs, Ohio; J. H. Cohen Stuart, Amsterdam; Dr. Fritz Pollock, Institute for Social Research, University of Frankfort a.M.; Morris L. Cooke, Consulting Engineer, formerly Director of Public Works of the City of Philadelphia.

17.45 Adjournment

20.— Continuation of General Discussion

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IV. NECESSITY AND MEANS FOR INTERNATIONAL ECONOMIC PLANNING

9.— 1. INTERNATIONAL PLANNING BY INDUSTRIES
Speaker: Professor M. Palyi, Economist of the Deutsche Bank und Disconto-Gesellschaft, and Professor at the Handelshochschule, Berlin

9.40 Discussion: Professor Ernest M. Patterson, President, American Academy of Political and Social Science, Philadelphia, U. S. A.; Hugh Quigley, Chief Statistical Officer of the Central Electricity Board, England

10.10 General Discussion: Morris L. Cooke, Consulting Engineer, Member of Power Commission of New York State, formerly Director of Public Works of the City of Philadelphia; Eugen Hess, Statistician, Continentale Handelsbank, Amsterdam.

10.45 Intermission

11.— 2. MASS DISTRIBUTION AND HIGHER STANDARDS OF LIVING
Speaker: Edward A. Filene, Wm. Filene's Sons' Co., Boston, U. S. A.

WEDNESDAY (cont'd)

11.30 Discussion: P. J. S. Serrarens, Senator, Secretary International Federation of Christian Trade Unions, Utrecht, Holland.

12.— General Discussion: Dr. Rudolf Fernegg, General Secretary, Deutscher Hauptverband der Industrie, Reichenberg C. S. R.; Dr. Robert Wilbrandt, Professor at the Technische Hochschule, Dresden.

13.15 Adjournment

Afternoon No session

20.30 Continuation of General Discussion: R. J. Mackay, Management Research Groups, London; I. A. Kraval, Director of the Labour Research Institute and Assistant in the Commission of Labour, Moscow; A. Honora Enfield, Secretary of International Co-operative Women's Guild (by whom a statement was submitted on "THE CONSUMERS' CO-OPERATIVE MOVEMENT AS ONE OF THE EARLIEST ATTEMPTS AT PLANNED ECONOMY"); Dr. E. C. van Dorp, Lecturer on Economics at the University of Utrecht, Holland.

THURSDAY

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9.— 3. THE FUNCTIONING OF THE INTERNATIONAL FINANCIAL SYSTEM IN THE ECONOMIC WORLD

Speaker: Professor M. Palyi, Economist of the Deutsche Bank und Disconto-Gesellschaft, Berlin

10.— General Discussion: Dr. Max Lazard, Paris; Dr. Robert Wilbrandt, Professor at the Technische Hochschule, Dresden; Dr. F. C. Benham, London School of Economics and Political Science, London; J. H. Cohen Stuart, Amsterdam; Charles O. Hardy, Institute of Economics of the "Brookings Institution", Washington; A. Cohn, Director of the Institute for Foreign Trade, Moscow; Christian Stoltz, Bureau für Gegenwartsprobleme, Frankfort a.M.; M. D. Dijt, Agriculturist, Holland; Professor F. Wilken, Lecturer in Economics and Sociology at the University of Freiburg i.B.; Dr. Otto Neurath, Director, Social Economic Museum, Vienna; Dr. Lewis L. Lorwin, Institute of Economics of the "Brookings Institution", Washington.

11.— Intermission

THURSDAY (cont'd)

11.15 Continuation of General Discussion

12.45 Adjournment

14.15 4. ECONOMIC SERVICE OF THE LEAGUE OF NATIONS
Speaker: Professor Rudolf Broda, President. League for the Organization of Progress, Associate Professor of Social Science, Antioch College. Yellow Springs, Ohio

15.— 5. EXPERIENCE AND POTENTIALITIES IN INTERNATIONAL ECONOMIC TREATIES
Speaker: Professor Joseph P. Chamberlain, Columbia University, New York

15.45 Intermission

16.— Discussion: Dr. Max Lazard, Paris; Hans Mars, Consultant on Scientific Management and Rationalisation of the "Kammer für Arbeiter und Angestellte", Vienna

16.45 General Discussion: M. D. Dijt, Agriculturist, Holland; A. B. Cohen Stuart, Editor of the League of Nations Journal for Holland; John de Stoop, Research Assistant Harvard University; A. Cohn, Director of the Institute for Foreign Trade, Moscow.

17.45 Adjournment

FRIDAY
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V. STANDARDS OF LIVING—THE RESULTANT OF PRODUCTIVE CAPACITY AND BUYING POWER

9.— 1. INTERNATIONAL AGREEMENT ON LABOR STANDARDS
Speaker: Albert Thomas, Director International Labor Organization, Geneva

F R I D A Y (cont'd)

10.— 2. THE ECONOMIC POLICY OF THE INTERNATIONAL LABOR MOVEMENT

Speaker: F. Naphtali, Director of Economic Research for Trade Unions, Member of National Economic Council, Berlin

10.45 Intermission

11.— Discussion: Dr. Frieda Wunderlich, Economist, Member of the "Preussische Landtag", Editor of "Soziale Praxis", Berlin; Dr. M. G. Levenbach, Lecturer in Labor Law, University of Amsterdam.

11.45 General Discussion: Dr. W. L. Valk, Netherlands Institute of Economics, Rotterdam; Kenneth R. Middleton, Secretary, Management Research Groups, London; Erich Lübbe, Chairman of the Works' Council, Siemens-Schuckert A.-G, Berlin; Dr. John Henry Richardson, Professor of Industrial Relations at the University of Leeds; Dr. Otto Neurath, Director, Social and Economic Museum, Vienna; Dr. E. C. van Dorp, Lecturer on Economics at the University of Utrecht, Holland; Dr. Ethel E. Osborne, Industrial Health Consultant, the University of Melbourne, Australia; Professor Dr. Goetz Briefs, Director of the Institute for Industrial Sociology and Social Science, Technische Hochschule, Berlin; Dr. Rudolf Broda, Assoc. Professor of Social Science, Antioch College, Yellow Springs, Ohio; I. A. Kraval, Director of the Labour Research Institute and Assistant in the Commission of Labour, Moscow.

12.45 Adjournment

VI. ROUND TABLE CONFERENCE ON THE WORKSHOP

Chairman: Prof. Dr. Goetz Briefs, Director of Institute for Industrial Sociology and Social Science, Technische Hochschule, Berlin

15.45 Starting point of discussion—the Industrial Employment Code in process of formulation by a committee of the Taylor Society, New York. Discussion opened by Morris L. Cooke, consulting engineer, Member Power Commission of New York State; formerly Director of Public Works of the City of Philadelphia, U. S. A.

Paper read by title: Human Relations in the Electrical Industry in the United States and Canada by H. H. Broach, President, International Brotherhood of Electrical Workers, Washington, D.C., U. S. A.

17.45 Adjournment

20.15 **VII.** THE NECESSITY FOR WORLD SOCIAL ECONOMIC PLANNING

Speaker: Mary van Kleeck, Director Industrial Studies, Russell Sage Foundation, New York; Vice-President I. R. I.; Chairman of Congress Programme Committee.

PRÊFACE.

Les pages suivantes [1] présentent au lecteur un aperçu des remarquables travaux, objets du Congrès Universel d'Aménagement Economique et Social, qui s'est tenu à Amsterdam, en août 1931, sous les auspices de l'Association Internationale des Relations Industrielles. [2]

Cette publication peut être considérée en quelque sorte comme la suite et le complément d'un ouvrage sur les fluctuations de l'emploi, paru antérieurement et intitulé „International Unemployment" (Chômage International), préparé afin d'être étudié à l'avance du congrès. Que se proposait cette étude? De mettre devant nos yeux la recrudescence du chômage dans les diverses parties du monde depuis ces vingt dernières années, pour en arriver à l'énorme dépression industrielle actuelle. A ce propos, les „Motifs de la Convocation du Congrès", qui étaient joints aux programmes, faisaient l'appel suivant:

„Le chômage régne aujourd'hui dans le monde entier. La diminution de la capacité d'achat des masses a limité les débouchés, cependant que la transformation mécanique des industries et le progrès des inventions technologiques augmentaient la capacité de production selon un rythme toujours accéléré. Ainsi, dans un monde qui dispose de ressources économiques plus étendues, le travail ne jouit d'aucune sécurité, et les niveaux de vie ne se sont pas élevés ou maintenus en fonction du progrès de la production. En un mot, il y a rupture d'équilibre entre la capacité économique et le pouvoir d'achat.

Pour rétablir cet équilibre, un effort de collaboration économique internationale semble actuellement indispensable. De jour en jour, le développement des moyens de transport et des voies de communication tend à réaliser l'unité économique du

[1] Afin de faciliter le maniement de ce présent volume, l'appendice qui contient principalement des traductions et la Liste des Membres du Congrès, est imprimé dans un volume à part.

[2] Réorganisée depuis le 31 mars 1932 en „Institut International des Relations Industrielles".

monde moderne. Il s'en faut d'ailleurs que la transformation soit encore entièrement accomplie, car certaines régions du monde continuent à subvenir largement par elles-mêmes à leurs propres besoins, alors que d'autres, au contraire, se trouvent déjà engagées dans des relations d'interdépendance plus étroites. Mais partout l'interdépendance se substitue rapidement à l'isolement économique. Telle est la situation de fait en ce domaine.

Toutefois, les divers pays et les diverses industries n'ont pas encore pleinement conscience de cette unification grandissante. Leur politique continue toujours à viser le but suprême de l'indépendance économique, souvent même au détriment du bien-être des populations. En effet ce bien-être ne peut être assuré que si les directives de l'action économique et politique sont fondées sur les réalités du développement économique. Dans ces conditions, augmenter le nombre d'individus conscients de cette interdépendance, orienter en même temps ceux-ci vers une action qui, tenant compte de cet état de fait, vise à accroître en tous la marge de satisfaction des besoins humains, apparaît comme un programme conforme à la fois aux commandements de l'éthique et aux enseignements de la réalité objective.

Les économistes, les sociologues, les spécialistes de l'organisation scientifique des ateliers ont tous leur mot à dire touchant l'aménagement méthodique de l'activité économique; d'autre part, les progrès de l'interdépendance économique fournissent l'occasion de mettre à profit leurs connaissances respectives. Impossible d'ajuster méthodiquement la production à la consommation, sinon dans un esprit de coopération universelle. Le rapide développement de l'interdépendance économique, en même temps qu'il fait participer toutes les nations aux mêmes maux, les incite - et avec elles tous les groupements intéressés - à unir leurs efforts dans la recherche d'une solution. Qu'un groupe quelconque veuille faire prédo-

miner ses intérêts particuliers sur les autres intérêts, que, par exemple, le travail s'oppose au développement de la production, que des monopoles commerciaux réussissent à porter les prix à un niveau excessif, qu'inversement une concurrence ruineuse fasse descendre exagérément ces mêmes prix, que les gouvernements s'appliquent à restreindre l'apport que leurs territoires nationaux peuvent fournir à la vie économique du reste du monde, et aussitôt, au détriment commun de tous, l'équilibre économique est rompu. Par contre, si tous sont unis dans les connaissances et des aspirations communes, un programme synthétique tenant compte à la fois des unes et des autres, peut être formulé, et fournir de nouvelles directives à la politique économique internationale.

Le but du Congrès n'est pas de présenter un tableau complet des difficultés existantes chez un grand nombre de nations. C'est uniquement à titre d'exemple illustrant telle ou telle phase particulière de l'équilibre ou du déséquilibre économique, que seront présentées les constatations faites dans chacun des pays proposés à l'examen. Ces constatations auront avant tout pour objet de faire ressortir le rôle que les pays en question seraient susceptibles de jouer dans la coopération économique avec les autres pays. Aussi le mot „mondial" rend-il mieux compte que le mot „international" de l'esprit que doit inspirer le Congrès. Nous croyons, en effet, que si les peuples parvenaient à percevoir nettement les réalités dont procède actuellement l'unité économique du monde, ils trouveraient dans cette notion la base d'une politique nationale orientée tout naturellement vers une collaboration économique internationale. En d'autres termes, la bonne méthode nous paraît être de discuter les faits économiques, plutôt que la politique poursuivie dans ce même domaine économique par les différentes nations.

L'expérience acquise à ce jour dans le monde entier tend à prouver que „l'intégration économique doit précéder la collaboration politique" Réciproque-

ment, il semble que l'on puisse mesurer le degré de sagesse politique chez un peuple d'après la contribution qu'il apporte à la réalisation de l'équilibre dans la vie économique du monde; le jour où l'unité économique mondiale serait clairement aperçu, la guerre serait impossible, et la paix assuré.

L'I. R. I. invite à son Congrès, non seulement ses propres membres, mais encore quiconque est susceptible d'apporter à l'oeuvre commune le bénéfice de ses études ou de ses expériences, plus généralement encore, quiconque souhaite prendre plus clairement conscience de l'unité vers laquelle tend la vie économique. L'I. R. I. offre aux représentants du monde des affaires et du travail, aux économistes, aux spécialistes de l'organisation scientifique des ateliers et aux représentants des administrations publiques, un cadre dans lequel ils pourront chercher à définir en commun les grandes lignes de l'effort à poursuivre pour l'ajustement méthodique de la capacité de production et des niveaux de vie."

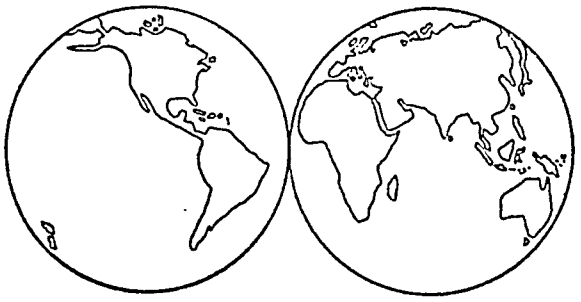
Précédant le matériel qui forme la base même du congrès, se trouve une „Analyse et Sommaire", en anglais, par Mary van Kleeck, présidente de la commission du programme. En outre, pour satisfaire aux désirs des lecteurs d'autre langue, des textes français et allemands ont été ajoutés en appendice au supplément de ce présent volume. Cette Analyse met en pleine lumière la quintessence des discours et des débats qui s'ensuivirent. Par ailleurs, elle donne la possibilité de faire mention de nombreux points de vue qui se sont fait connaître au cours des discussions, et que nous n'avons pu, vu leur trop grand nombre, faire entrer tous dans cette publication.

L'attention du lecteur est encore attirée sur l'idée directrice qui domine le programme, qui va se développant au fur et à mesure dans ses différentes phases, pour aboutir à cette conclusion suprême: „Nécessité d'une Economie Sociale Dirigée s'Appliquant au Monde Entier". Dans un brillant essai, intitulé

„The Great Analysis", déjà en 1912, William Archer plaide la nécessité d'un monde rationnellement organisé. Nous pouvons lire dans son dernier chapitre:

Sous une forme ou sous une autre, un ordre mondial sera certainement institué un jour. Il peut être un bienfait comme il peut être aussi une calamité; et pour écarter cette dernière alternative, le meilleur moyen est assurément d'étudier, d'un point de vue mondial, les conditions et les possibilités de vie de l'ensemble des créatures sensibles jetées sur cette planète. L'intelligence humaine, capable d'organiser, de créer de l'ordre, doit étendre son activité non seulement aux problèmes d'une commune ou d'une nation, mais aux problèmes mondiaux, afin d'englober ceux-ci dans une vaste conception d'ensemble.

La Haye, Juillet 1932.



PROGRAMME

DU

1 9 3 1

CONGRÈS UNIVERSEL D'AMÉNAGEMENT ÉCONOMIQUE ET SOCIAL

CONVOQUÉ SOUS LES AUSPICES DE L'ASSOCIATION INTERNATIONALE DES RELATIONS INDUSTRIELLES (I.R.I.)
JAVASTRAAT 66 LA HAYE HOLLANDE

SIÈGE DU CONGRÈS: AMSTERDAM, HOLLANDE

DATE: DU 23 AOUT, AU SOIR, AU 29 AOUT, AU MATIN

SUJET: AMÉNAGEMENT ÉCONOMIQUE ET SOCIAL
NÉCESSITÉ D'UN PLAN D'ENSEMBLE TENDANT À FAIRE CADRER LA CAPACITÉ DE PRODUCTION ET LES NIVEAUX DE VIE

PRÉSIDENT: M. C. H. VAN DER LEEUW
PRÉSIDENT DE L'ASSOCIATION INTERNATIONALE DES RELATIONS INDUSTRIELLES

LIEU DE RÉUNION: KOLONIAAL INSTITUUT
AMSTERDAM

DIMANCHE

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20.— SÉANCE D'OUVERTURE, RAPPORT SUR LA MÉTHODE ADOPTÉE POUR LES TRAVAUX DU CONGRÈS, SUIVI D'UNE SOIRÉE INTIME

LUNDI

24

I. LE PARADOXE DE L'HEURE PRÉSENTE—LE CHOMAGE EN PLEIN PROGRÈS ÉCONOMIQUE

9.— Discours par M. le Dr. F. Wibaut, Sénateur, Membre du Conseil Municipal, Amsterdam

9.15 1. LA SIGNIFICATION DU CHOMAGE UNIVERSEL

Orateur: M. le Dr. Max Lazard, Paris

Interprétation des rapports sur les fluctuations survenues de 1910 à 1930 dans le degré d'activité et de chômage de divers pays (Grande-Bretagne, France, Australie, E. U. A., Canada, U. R. R. S., Chine, Allemagne). Ces rapports sont imprimés à l'avance et tenus à la disposition des membres du congrès. Auteurs des rapports: M. le Dr. F. C. Benham, Ecole d'économie politique et de sciences politiques de Londres, ancien maître de conférences à l'Université de Sydney, Australie; M. le Dr. W. A. Berridge, de la "Metropolitan Life Insurance Company", E. U. A., et membre de la commission des statistiques officielles du travail de l'Association américaine de statistiques; Mesdames les Drs. Susan M. Kingsbury et Mildred Fairchild, Bryn Mawr College, E. U. A.; M. le Dr. L. K. Tao, Directeur de l'Institut d'études sociales, Peiping, et M. S. H. Lin, Institut d'études sociales, Peiping, Chine; M. le Dr. Robert Wilbrandt, Université de Dresde, Allemagne

10.15 2. LES PROGRÈS RÉCENTS DE LA CAPACITÉ DE PRODUCTION DANS LE MONDE

Orateur: M. le Dr. Otto Neurath, Directeur du Musée économique et social de Vienne, Autriche

11.15 Suspension de séance

L U N D I (suite)

11.30 Discussion: M. le Dr. F. C. Benham, Ecole d'économie politique et de sciences politiques (Université de Londres); M. le Professeur Dr. Robert Wilbrandt, Université de Dresde.

Discussion Générale: M. Valery V. Obolensky-Ossinsky, Membre de l'Institut de recherches économiques de la Commission du Plan d'Etat (Gosplan) Moscou; M. le Dr. Otto Neurath, directeur du Musée Economique et Social de Vienne. Autriche.

12.45 Fin de Séance

II. PRINCIPES D'AMÉNAGEMENT ÉCONOMIQUE. POSSIBILITÉ DE RÉALISATION PRATIQUE

14.15 1. PRINCIPES ET PRATIQUE DE LA GESTION SCIENTIFIQUE: ÉTATS UNIS D'AMÉRIQUE.

Orateur: M. le Dr. H. S. Person, Directeur administratif de la Société Taylor de New York, ancien Directeur de l'Ecole Amos Tuck d'administration et de finances, Dartmouth College, E. U. A.

14.45 2. PRINCIPES ET PRATIQUE DE LA GESTION SCIENTIFIQUE: EUROPE

Orateur: M. Hugo von Haan, de l'Institut International d'Organisation Scientifique du Travail à Genève.

15.15 Discussion: M. le Dr. Heinz Ludwig, Membre du Conseil d'administration de la maison Hermann Meyer & Co. A.-G., Berlin; M. le Dr. Edmond Landauer, Secrétaire Général du Comité International de l'Organisation Scientifique, Paris; M. l'Ing. Dr. Stan. Spacek, Ministère Tchécoslovaque des Travaux publics, Prague; M. Wallace Clark, Ingénieur Conseil, New York et Paris; M. Henri Pauwels, Secrétaire Général, Confédération des Syndicats Chrétiens de Belgique, Bruxelles.

16.15 Suspension de séance

16.30 Discussion Générale: M. le Professeur Dr. Goetz Briefs, Directeur de l'Institut Sociologique pour la Conduite des Entreprises, Ecole Supérieure Technique de Berlin; M. le Dr. Hans Pruppacher, Ingénieur Conseil, Zürich; M. le Professeur F. Wilken, Professeur à la Faculté d'économie et de sociologie à l'université de Fribourg i.Bad.

17.45 Fin de Séance

MARDI
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9.— 5. LA QUESTION DE L'AMÉNAGEMENT MÉTHODIQUE DE L'ACTIVITÉ ÉCONOMIQUE.

Orateur: M. le Dr. Lewis L. Lorwin, de l'Institut économique de l'Institution Brookings, Washington D.C., E. U. A.

9.45 Discussion: M. le Professeur J. B. Tayler, M.Sc. Professeur d'économie politique à l'Université Yenching, Peiping, CHINE; Bertrand de Jouvenel, Auteur de "l'Economie Dirigée", Paris; Gerald Barry, Editor of „The Week-End Review", London.

11.— Suspension de séance

11.15 Continuation de la Discussion: M. le Dr. F. Meyer zu Schwabedissen, Associé Maison Bertelsmann & Niemann, Bielefeld, ALLEMAGNE

11.40 Discussion Générale: M. L. Urwick, Directeur de l'Institut International d'Organisation Scientifique du Travail, Genève; M. Henri Dubreuil, Bureau International de Tavail, Genève, autrefois Secrétaire de la Confédération Générale du Travail, Paris; M. F. Rajniss, Vice-Directeur de l'Institut d'Assurances Sociales, Budapest; M. S. L. Ronin, Membre de l'Institut de recherches économiques et membre de la commission du Plan d'Etat (Gosplan), Moscou; M. le Dr. Max Lazard, Paris; M. le Dr. Fritz Pollock, Institut de recherches sociales à l'Université de Francfort a.M.

12.45 Fin de Séance

III. EXPÉRIENCES D'AMÉNAGEMENT MÉTHODIQUE DE L'ACTIVITÉ ÉCONOMIQUE
A. DANS L'AGRICULTURE. B. DANS L'INDUSTRIE

14.15 UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES.

Orateurs: M. Valery B. Obolensky-Ossinsky, économiste, membre de l'Institut de recherches économiques de la Commission du Plan d'Etat, Moscou; Chef de la délégation de l'U. R. S. S. auprès de la Conférence économique Mondiale à Genève en 1927

M A R D I (suite)

Assisté par: M. Solomon Ronin, Membre de l'Institut de recherches économiques et membre de la commission du Plan d'Etat (Member of State Planning Commission) (Gosplan); M. Aron Gayster, Vice-Président de l'Académie d'Agriculture de l'U. R. R. S. et membre de la commission du Plan d'Etat (Gosplan); M. Ivan Kraval, Directeur de l'Institut (de recherches) du Travail (Labour Research Institute); M. Alexander Cohn, Directeur de l'Institut pour le Commerce extérieur, Moscou.

16.— Suspension de séance

16.15 Discussion Générale: M. le Dr. Lewis L. Lorwin, Institut économique de l'Institution Brookings, Washington; M. le Dr. Heinz Ludwig, Membre du Conseil d'administration de la maison Hermann Meyer & Co. A.-G. Berlin: M. le Professeur F. Wilken, Professeur à la Faculté d'économie et de sociologie à l'Université de Fribourg i.Bad.; M. le Dr. Rudolf Broda, Professeur Adjoint, Faculté de Science Sociale, Antioch College, Yellow Springs, Ohio; M. J. H. Cohen Stuart, Amsterdam; M. le Dr. Fritz Pollock, Institut de Recherche sociale à l'Université de Francfort a.M.; M. Morris L. Cooke, Ingénieur Conseil, ancien Directeur des Travaux publiques de Philadelphie.

17.45 Fin de Séance

20.— Continuation de la Discussion Générale.

MERCREDI

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IV. NÉCESSITÉ D'UN AMÉNAGEMENT INTERNATIONAL MÉTHODIQUE DE L'ACTIVITÉ ÉCONOMIQUE. MOYENS DE LE RÉALISER

9.— 1. L'AMÉNAGEMENT MÉTHODIQUE DES INDUSTRIES DANS LE PLAN INTERNATIONAL.

Orateur: M. le Professeur M. Palyi, Conseiller à la "Deutsche Bank und Disconto-Gesellschaft", Berlin, Professeur à l'Université de Commerce, Berlin

9.40 Discussion: M. le Professeur Ernest M. Patterson, Président de l'Academie des Sciences Politiques et Sociales, Philadelphia; E.U.A.; M. Hugh Quigley, Fonctionnaire et chef des statistiques du Conseil supérieur de l'Electricité, Angleterre

MERCREDI (suite)

10.10 Discussion Générale: M. Morris L. Cooke, Ingénieur Conseil, Membre de la Commission d'Electricité de l'Etat New York, ancien Directeur des Travaux Publiques de Philadelphie; M. Eugen Hess, statisticien, Continentale Handelsbank, Amsterdam.

10.45 Suspension de séance

11.— 2. LA DISTRIBUTION MASSIVE ET LE RELÈVEMENT DES NIVEAUX D'EXISTENCE.

Orateur: M. Edward A. Filene, Maison Wm. Filene's Sons' Co., Boston E. U. A.

11.30 Discussion: M. P. J. S. Serrarens, Sénateur, Secrétaire de la Fédération Internationale des Syndicats Chrétiens, Utrecht, Hollande.

12.— Discussion Générale: M. le Dr. Rudolf Fernegg, Secrétaire Général, Deutscher Hauptverband der Industrie, Reichenberg, C. S. R.; M. le Dr. Robert Wilbrandt, Professeur à l'Ecole Polytechnique de Dresde.

13.15 Fin de Séance

Après-midi Pas de séance

20.30 Continuation de la Discussion Générale: M. R. J. Mackay, Management Research Groups, Londres; M. I. A. Kraval, Directeur de l'Institut de Recherches de Tarvail et Assistant de la Commission du Travail, Moscou; Mlle. Honora A. Enfield, Secrétaire de la „International Co-operative Women's Guild (QUI A SOUMIS UN EXPOSÉ SUR „LE MOUVEMENT COOPÉRATIF DES CONSOMMATEURS - UNE DES PREMIÈRES TENTATIVES D'ÉCONOMIE DIRIGÉE"); Mme. le Dr. E. C. van Dorp, Professeur à la Faculté d'Economie à l'Université d'Utrecht, Hollande.

J E U D I

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9.— 3. LE FONCTIONNEMENT DU SYSTÈME FINANCIER INTERNATIONAL DANS LE MONDE ÉCONOMIQUE.

Orateur: M. le Professeur M. Palyi, Conseiller à la "Deutsche Bank und Disconto-Gesellschaft", Professeur à l'Université de Commerce, Berlin

J E U D I (suite)

10.— Discussion Générale: M. le Dr. Max Lazard, Paris; M. le Dr. Robert Wilbrandt, Professeur à l'Ecole Polytechnique de Dresde; M. le Dr. F. C. Benham, Ecole d'économie politique et des sciences politiques de Londres; M. J. H. Cohen Stuart, Amsterdam; M. Charles O'Hardy, Institut économique de l'Institution Brookings, Washington; M. A. Cohn, Directeur de l'Institut pour le Commerce extérieur, Moscou; M. Christian Stoltz, Bureau für Gegenwartsprobleme, Francfort a.M.; M. M. D. Dijt, Agriculteur, Hollande; M. le Prof. F. Wilken, Professeur à la Faculté d'économie et de sociologie à l'Université de Fribourg i.Bad.; M. le Dr. Otto Neurath, Directeur du Musée économique et social de Vienne, Autriche; M. le Dr. Lewis L. Lorwin, Institut économique de l'Institution Brookings, Washington.

11.— Suspension de séance

11.15 Continuation de la Discussion Générale

12.45 Fin de Séance

14.15 4. LE ROLE ÉCONOMIQUE DE LA SOCIÉTÉ DES NATIONS.

Orateur: M. le Professeur Rudolf Broda, Président de la Ligue pour l'Organisation du Progrès, Professeur Adjoint en Sciences Sociales, Antioch College, Yellow Springs, Ohio E. U. A.

15.— 5. LES TRAITÉS ÉCONOMIQUES INTERNATIONAUX; LEURS ENSEIGNEMENTS, LEURS POSSIBILITÉS.

Orateur: M. le Professeur Joseph Chamberlain, Université de Columbia, New York

15.45 Suspension de séance

16.— Discussion: M. le Dr. Max Lazard, Paris; M. Hans Mars, Rapporteur sur l'Organisation Scientifique et Méthodes de Rationalisation de la "Kammer für Arbeiter und Angestellte", Vienne.

16.45 Discussion Générale: M. M. D. Dijt, Agriculteur, Hollande; M. A. B. Cohen Stuart, Editeur du Journal de la Société des Nations pour la Hollande, M. John de Stoop, Research Assistant, Harvard University; M. A. Cohn, Directeur de l'Institut pour le Commerce extérieur, Moscou.

17.45 Fin de Séance

VENDREDI

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V. LES NIVEAUX DE VIE COMME RÉSULTANTE DE LA CAPACITÉ DE PRODUCTION EN COMBINEÉ AVEC LE POUVOIR D'ACHAT

9.— 1. DÉTERMINATION INTERNATIONALE DES NORMES DU TRAVAIL.

Orateur: M. Albert Thomas, Directeur du Bureau International du Travail à Genève.

10.— 2. LA POLITIQUE ÉCONOMIQUE DU MOUVEMENT OUVRIER INTERNATIONAL.

Orateur: M. F. Naphtali, Directeur du Département Syndical des Etudes Economiques, Membre du Conseil Economique Allemand, Berlin

10.45 Suspension de séance

11.— Discussion: Madame le Dr. Frieda Wunderlich, économiste, Membre du „Preussische Landtag", rédacteur en chef de la „Soziale Praxis", Berlin; M. le Dr. M. G. Levenbach, Professeur à la Faculté de Droit Social à l'Université d'Amsterdam.

11.45 Discussion Générale: M. le Dr. W. L. Valk, Institut économique des Pays-Bas, Rotterdam; M. Kenneth R. Middleton, Secrétaire, Management Research Groups, Londres; M. Erich Lübbe, président du Conseil d'usine, Siemens-Schuckert A.-G., Berlin; M. le Dr. John Henry Richardson, Professeur de Relations Industrielles à l'Université de Leeds; M. le Dr. Otto Neurath, Directeur du Musée économique et social de Vienne, Autriche; Mme. le Dr. E. C. van Dorp, Professeur à la Faculté d'économie à l'Université d'Utrecht, Hollande; Mme. le Dr. E. Osborne, Industrial Health Consultant, Université de Melbourne, Australie; M. le Professeur Goetz Briefs, Directeur de l'Institut Sociologique pour la Conduite des Entreprises, Ecole Supérieure Technique de Berlin; M. le Dr. Rudolf Broda, Professeur Adjoint à la Faculté de Science Sociale, Antioch College, Yellow Springs, Ohio; M. I. A. Kraval, Directeur de l'Institut de Recherches du Travail et Assistant de la Commission du Travail, Moscou.

12.45 Fin de Séance

VENDREDI (suite)

VI. ENTRETIEN SUR LE RÉGIME DES ATELIERS

Président des discussions: M. le Professeur Dr. Goetz Brieîs, Directeur de l'Institut Sociologique pour la Conduite des Entreprises, Ecole Supérieure Technique de Berlin

15.45 La discussion prendra pour point de départ le Code de l'emploi industriel actuellement en cours de rédaction au sein d'une commission de la Taylor Society de New York. Rapporteur: M. Morris L. Cooke, Ingénieur conseil, Membre de la Commission d'Electricité de New York, ancien Directeur des Travaux publiques de Philadelphie, E. U. A.

Rapport soumis par titre: Les Relations humaines dans l'Industrie Electrique dans les Etats Unis et le Canada par H. H. Broach, Président, Fraternité Internationale des Travailleurs dans l'Industrie Electrique, Washington D.C., U. S. A.

17.45 Fin de Séance

20.15 ## VII. NÉCESSITÉ D'UNE ÉCONOMIE SOCIALE DIRIGÉE S'APPLIQUANT AU MONDE ENTIER.

Orateur: Mlle. Mary van Kleeck, Directrice des études industrielles, Russell Sage Foundation, New York, Vice-Présidente de l'I. R. I., Présidente de la commission des propositions.

VORWORT.

Die folgenden Seiten [1] bieten dem Leser bemerkenswertes Material aus dem Weltkongress über Sozialökonomische Planung, der im August 1931 in Amsterdam (Holland) unter den Auspizien der International Industrial Relations Association [2] stattfand.

Im Zusammenhang mit dem vorliegenden Band wurde ein anderes Werk unter dem Titel „International Unemployment" (Internationale Arbeitslosigkeit) herausgegeben, das bereits zu Beginn dieses Jahres erschien. Es enthält einführende Analysen über Schwankungen in der Beschäftigung, die bereits vor dem Kongress zum Studium vorbereitet waren. Diese Analysen sollen ein Bild geben von dem Auftauchen der Arbeitslosigkeit in den verschiedensten Teilen der Welt während zwei Dekaden, die in die gegenwärtige, weltweite Depression der Industrie ausliefen. Der „Aufruf zum Kongress", der das Programm begleitete, erhob folgenden Appell:

„Arbeitslosigkeit ist heute über die ganze Welt verbreitet. Die Märkte sind durch Mangel an Kaufkraft beschränkt. Die Produktionskapazität jedoch ist in einem schnell wachsenden Masse durch Mechanisierung und fortschreitende technische Erfindung vergrössert worden. In einer Welt vermehrter ökonomischer Hilfsmittel ist die Beschäftigung unsicher, und die Lebenshaltung der Massen ist nicht im Verhältnis zum Wachstum der Produktionsmöglichkeiten erhöht oder auch nur aufrechterhalten. Schlecht sind einander angepasst Kapazität und Kaufkraft.

Auf der gegenwärtigen Stufe des Wirtschaftslebens kann das notwendige Gleichgewicht nur durch internationale wirtschaftliche Zusammenarbeit erreicht werden. Die Entwicklung der Transport- und Verbindungsmittel stellt Tag für Tag eine Ein-

[1] Um die Handhabung dieses Bandes zu erleichtern, wurde der Anhang, der sich hauptsächlich aus Uebersetzungen zusammensetzt und die vollständige Teilnehmerliste enthält, in einem getrennten Bande gedruckt.

[2] Am 31. März 1932 neu errichtet als „Internationales Institut für Bestgestaltung der Beziehungen im Wirtschaftsleben".

heit her, welche auf die kommende Stufe der wirtschaftlichen Entwicklung hinweist. Der Prozess ist jedoch noch nicht vollendet. Einige Gegenden der Welt verharren in weitem Umfange in Selbstgenügsamkeit. Andere stehen in stärkerem Masse in gegenseitiger Abhängigkeit. Aber diese nimmt immer schneller den Platz von Selbstgenügsamkeit ein, eine Tatsache, die für unser Thema von Bedeutung ist.

Völker und Wirtschaftszweige sind sich indessen noch nicht völlig dieses Wachstums zur Einheit bewusst, und ihre Politik ist noch in weitem Umfange auf Selbstgenügsamkeit eingestellt, oft zum Schaden menschlicher Wohlfahrt, welche nur gesichert werden kann, wenn die Politik, insbesondere die Wirtschaftspolitik die Wirklichkeit der wirtschaftlichen Entwicklung zur Grundlage hat. Die Zahl von Personen zu vermehren, welche sich dieser gegenseitigen wirtschaftlichen Abhängigkeit bewusst sind und sich veranlasst fühlen, in Uebereinstimmung mit dieser Einsicht zu handeln, um mehr und mehr menschlichen Bedürfnissen in allen Völkern zu dienen, ist ein ethisches Streben, welches den Boden der Wirklichkeit nicht verlässt.

Oekonomsiche und soziale Wissenschaften, sowohl wie die Rationalisierungsbewegung sind in der Lage, uns über das Problem planmässiger Anpassung zu informieren. Das Wachstum der gegenseitigen wirtschaftlichen Abhängigkeit gibt die Gelegenheit, diese Kenntnis anzuwenden. Planmässige Anpassung ist eine gemeinschaftliche Aufgabe, und das schnelle Wachstum gegenseitiger Abhängigkeit, welche alle Nationen zusammen leiden lässt, ist gleichzeitig der Anlass für alle Völker und alle Gruppen, gemeinsam an einer Lösung zu arbeiten. Wenn das beschränkte Interesse einer Gruppe das einer andern vergewaltigt, wenn die Produktion in unvernünftiger Weise durch die Arbeiterschaft gedrosselt wird, wenn Preise entweder künstlich durch Monopole hochgehalten oder durch zerstörerische Konkurrenz zu sehr gesenkt werden, wenn Regierungen

den Beitrag ihrer Volkswirtschaften zum Wirtschaftsleben der Welt beschränken, dann geht für alle das Gleichgewicht verloren. Auf der andern Seite kann, wenn Alle im Lichte gemeinsamen Wissens und in der Richtung eines gemeinsamen Zieles handeln, eine Synthese von Tatsachen und Bestrebungen als ein neuer Leitstern in der internationalen Wirtschaftspolitik in Erscheinung treten.

Es ist im Kongressprogramm nicht versucht worden, die Darlegung der Probleme vieler Nationen zu erreichen. Der Ton auf nationale Erfahrung wird nur in dem Sinne gelegt, dass diese als Illustration einer besonderen Phase wirtschaftlicher Anpassung oder Nichtanpassung dient. Der Ton in den Berichten über die Erfahrung eines einzelnen Landes ist auf den möglichen Beitrag zur wirtschaftlichen Zusammenarbeit mit andern Ländern gelegt. Der Blickpunkt des Kongresses findet durch das Wort „Welt", seinen besten Ausdruck, mehr als durch das Wort „international". Man ist der Meinung, dass ein klarer Blick auf die gegenwärtigen Wirklichkeiten weltwirtschaftlicher Einheit eine Grundlage für eine nationale Politik geben würde, welche auf internationale wirtschaftliche Zusammenarbeit gerichtet ist, und es scheint ein richtiges Verfahren zu sein lieber wirtschaftliche Tatsachen als die politischen Massnahmen der verschiedenen Völker zu diskutieren. Die heutige Erfahrung der Welt zwingt zu dem Schluss, dass „ökonomische Integration einer politischen Ko-operation vorangehen muss". Umgekehrt besteht offenbar das Zeichen politischer Weisheit in dem Beitrag, welchen eine Nation für die bessere Ordnung des Wirtschaftslebens der Welt liefert. Das Bewusstsein einer wirtschaftlichen Einheit würde Krieg zur Unmöglichkeit und Frieden zur Wirklichkeit machen.

Die I. R. I. ladet zur Teilnahme an diesem Kongress ausser ihren eigenen Mitgliedern alle diejenigen ein, welche auf Grund ihres Studiums oder ihrer Erfahrung einen Beitrag zu geben haben, oder welche auch nur darnach trachten, sich immer

deutlicher der Einheit des Wirtschaftslebens bewusst zu werden. Sie bietet ihre Plattform Führern der Wirtschaft und der Arbeiterschaft, Wissenschaftlern, Betriebsingenieuren und Regierungsvertretern, um nach der richtigen Grundlage für gemeinschaftliche aufbauende Arbeit, in Richtung einer planmässigen Entwicklung von Produktionskapazität und Lebenshaltung zu suchen."

Wie der Leser finden wird, geht dem von dem Kongress selbst zusammengetragenen Material eine „Uebersicht und Zusammenfassung" in englischer Sprache von Mary van Kleeck, der Vorsitzenden des Programm-Ausschusses, voraus. Für die nicht englisch sprechenden Leser ist ein französischer und deutscher Text dieser Uebersicht in dem Nachtrag dieses Werkes beigefügt worden.

In dieser Uebersicht ist das Wesentliche der Beiträge, die sowohl in den Vorträgen selbst als auch in den darauffolgenden Diskussionen gemacht wurden, in lebendiger Weise beleuchtet worden. Sie gibt darüber hinaus Gelegenheit, viele Gesichtspunkte, die in der Diskussion zur Sprache gebracht wurden, zu erwähnen, die nicht als ganzer Beitrag in diesem Bande aufgenommen werden konnten.

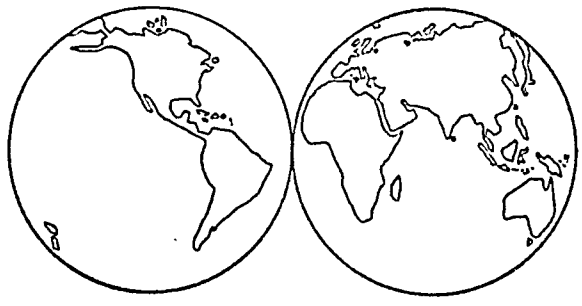
Die Aufmerksamkeit des Lesers wird auf die Gedanken gelenkt, die durch das Programm, wie in seinen nachfolgenden Abschnitten dargestellt, ziehen und die in dem Ergebnis der „Notwendigkeit einer sozial-ökonomischen Planung der Welt" gipfeln. Ein „Aufruf für eine vernunftgemässe Welt-Ordnung" wurde bereits im Jahre 1912 von William Archer in seiner glänzenden Schrift „The Great Analysis erlassen, von der der letzte Abschnitt hier passend zitiert werden mag:

„In irgend einer Form muss eine Welt-Ordnung eines Tages entstehen. Sie mag als ein Segen oder als ein Unglück kommen. Und sicherlich ist der beste Weg, um die letztere Alternative abzuwenden der, von hoher Warte aus die Lebensbedingungen und -Möglichkeiten für die Gesellschaft der fühlenden

Wesen zu studieren, die auf diesem Eiland im Weltenraum für kurze Zeit ausgesetzt worden sind. Der menschliche Geist, der organisiert und Ordnung bringt, muss sich selbst stärken, dass er in einer grossen Uebersicht die Probleme nicht einer Gemeinde oder einer Nation, sondern des ganzen kreisenden Erdballs umfasst."

Den Haag, Juli 1932.

PROGRAMM



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WELTKONGRESS ÜBER SOZIALÖKONOMISCHE PLANUNG

UNTER DEN AUSPIZIEN DER INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION (I. R. I.)
JAVASTRAAT 66 DEN HAAG HOLLAND

TAGUNGSORT: AMSTERDAM - HOLLAND

DATUM: 23. AUGUST, ABENDS, BIS 29. AUGUST VORMITTAGS

THEMA: SOZIALÖKONOMISCHE PLANUNG
DIE NOTWENDIGKEIT PLANMÄSSIGER ANPASSUNG DER PRODUKTIONSKAPAZITÄT AN DIE LEBENSBEDÜRFNISSE

VORSITZENDER: C. H. VAN DER LEEUW
PRÄSIDENT DER INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION

KONGRESSGEBÄUDE: KOLONIAAL INSTITUUT AMSTERDAM

SONNTAG

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20.— ERÖFFNUNG DER SITZUNGEN, ERLÄUTERUNG DES KONGRESSVERFAHRENS, DARAUFFOLGEND: ZWANGSLOSER EMPFANG

MONTAG

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I. DIE GEGENWÄRTIGE PARADOXIE — ARBEITSLOSIGKEIT INMITTEN WIRTSCHAFTLICHEN FORTSCHRITTS

9.— Ansprache von Herrn Dr. F. Wibaut, Senator, Mitglied des Stadtrates von Amsterdam

9.15 1. DIE BEDEUTUNG DER WELTARBEITSLOSIGKEIT

Redner: Dr. Max Lazard, Paris

Auslegung der Berichte über Schwankungen in der Beschäftigung und der Arbeitslosigkeit in verschiedenen Ländern (Grossbritannien, Frankreich, Australien, Vereinigte Staaten von Amerika, Kanada, Russland, China, Deutschland). Die Berichte, die im voraus gedruckt sind und den Zeitabschnitt von 1910 bis 1930 umfassen, wurden zusammengestellt von: Dr. F. C. Benham, London School of Economics and Political Science, früher Dozent an der Universität von Sydney, Australien; Dr. W. A. Berridge, Metropolitan Life Insurance Company, U. S. A. und Mitglied des Komitees für amtliche Arbeitsstatistik der amerikanischen statistischen Vereinigung; Dr. Susan M. Kingsbury und Dr. Mildred Fairchild, Bryn Mawr College, U. S. A.; L. K. Tao, Direktor des Instituts für soziale Forschung, Peiping und S. H. Lin, Institut für soziale Forschung, Peiping, China; Professor Dr. Robert Wilbrandt, Technische Hochschule, Dresden, Deutschland

10.15 2. DAS GEGENWÄRTIGE WACHSTUM DER PRODUKTIONSKAPAZITÄT DER WELT

Redner: Dr. Otto Neurath, Direktor des Gesellschafts- und Wirtschaftsmuseums, Wien

11.15 Pause

11.30 Diskussion: Dr. F. C. Benham, London School of Economics and Political Science (University of London); Professor Dr. Robert Wilbrandt, Technische Hochschule, Dresden.

MONTAG (fortgesetzt)

11.30 Allgemeine Diskussion: Valery V. Obolensky-Ossinsky. Mitglied des Institutes für wirtschaftliche Forschung des staatlichen Planungsausschusses (Gosplan), Moskau; Dr. Otto Neurath, Direktor des Gesellschafts- und Wirtschaftsmuseums, Wien.

12.45 Schluss der Sitzung

II. PRINZIPIEN UND ANWENDBARKEIT WIRTSCHAFTLICHER PLANUNG

14.15 1. PRINZIPIEN UND PRAKTIK DER WISSENSCHAFTLICHEN BETRIEBSFUHRUNG: VEREINIGTE STAATEN VON AMERIKA

Redner: Dr. H. S. Person, Leitender Direktor der Taylor-Gesellschaft, New York; früher Direktor der Amos Tuck Schule für Verwaltung und Finanzen, Dartmouth College, U. S. A.

14.45 2. PRINZIPIEN UND PRAKTIK DER WISSENSCHAFTLICHEN BETRIEBSFUHRUNG: EUROPA

Redner: Hugo von Haan, Internationales Rationalisierungsinstitut, Genf

15.15 Diskussion: Dr. Heinz Ludwig, Delegierter des Aufsichtsrats der Hermann Meyer & Co. A.-G., Berlin; Edmond Landauer, Generalsekretär des Internationalen Ausschusses für wissenschaftliche Betriebsführung, Paris; Ing. Dr. Stan. Spacek, Tschechoslovakisches Ministerium der öffentlichen Bauten, Prag; Wallace Clark, Beratender Ingenieur, New York und Paris; Henri Pauwels, Bund der Christlichen Gewerkschaften von Belgien, Brüssel.

16.15 Pause

16.30 Allgemeine Diskussion: Professor Dr. Goetz Briefs, Direktor des Betriebssoziologischen Institutes an der Technischen Hochschule zu Berlin; Dr. Hans Pruppacher, Beratender Ingenieur, Zürich; Professor F. Wilken, Privatdozent der Nationalökonomie und Soziologie an der Universität Freiburg i.Bad.

17.45 Schluss der Sitzung

DIENSTAG

25

9.— 3. DAS PROBLEM DER PLANWIRTSCHAFT

Redner: Dr. Lewis L. Lorwin, Wirtschaftswissenschaftliches Institut der Brookings Institution, Washington D.C., U. S. A.

9.45 Diskussion: Prof. J. B. Tayler M.Sc., Professor der Staatswirtschaft an der Yenching Universität zu Peiping, CHINA; Bertrand de Jouvenel, Verfasser von "l'Economie Dirigée", Paris; Gerald Barry, Schriftleitung, Week-End Review, London

11.— Pause

11.15 Fortsetzung der Diskussion: Dr. F. Meyer zu Schwabedissen, Teilhaber der Firma Bertelsmann und Niemann, Bielefeld, DEUTSCHLAND

11.40 Allgemeine Diskussion: L. Urwick, Direktor des Internationalen Rationalisierungsinstitutes, Genf; Henri Dubreuil, Internationales Arbeitsamt, Genf, früher Sekretär des Allgemeinen Gewerkschaftsbundes, Paris; F. Rajniss, Vize-Direktor des Ungarischen Institutes für Sozialversicherungen, Budapest; S. R. Ronin, Mitglied des Institutes für Wirtschaftliche Forschung und des Staatlichen Planungsausschusses (Gosplan), Moskau; Dr. Max Lazard, Paris; Dr. Fritz Pollock, Institut für Sozialforschung, Universität Frankfurt am Main.

12.45 Schluss der Sitzung

III. ERFAHRUNG IN WIRTSCHAFTLICHER PLANUNG

A. IN DER LANDWIRTSCHAFT

B. IN DER INDUSTRIE

14.15 UNION DER SOZIALISTISCHEN SOWIETREPUBLIKEN

Redner: Valery V. Obolensky-Ossinsky, Volkswirt, Mitglied des Institutes für wirtschaftliche Forschung des staatlichen Planungsausschusses (Gosplan) Moskau, Leiter der Delegation der U. S. S. R. an der Weltwirtschaftskonferenz in Genf von 1927

DIENSTAG (fortgesetzt)

Unter Mitwirkung von: Solomon Ronin, Mitglied des Institutes für Wirtschaftliche Forschung und Mitglied des staatlichen Planungsausschusses (Gosplan); Aron Gayster, Vizepräsident der Landwirtschafts-Akademie der U. S. S. R. und Mitglied des staatlichen Planungsausschusses (Gosplan); Ivan Kraval, Direktor des Arbeits-Forschungsinstitutes; Alexander Coinn, Direktor des Institutes für Aussenhandel, Moskau.

16.— Pause

16.15 Allgemeine Diskussion: Dr. Lewis L. Lorwin, Wirtschaftswissenschaftliches Institut der Brookings Institution, Washington; Dr. Heinz Ludwig, Delegierter des Aufsichtsrates der Hermann Meyer & Co. A.-G., Berlin; Professor F. Wilken, Privatdozent der Nationalökonomie und Soziologie an der Universität zu Freiburg i.Bad.; Dr. Rudolf Broda, Professor der Sozialwissenschaft, Antioch College, Yellow Springs, Ohio; J. H. Cohen Stuart, Amsterdam; Dr. Fritz Pollock, Institut für Sozialforschung an der Universität zu Frankfurt am Main; Morris L. Cooke, Beratender Ingenieur, früher Direktor der öffentlichen Bauten von Philadelphia.

17.45 Schluss der Sitzung

20.— Fortsetzung der Allgemeinen Diskussion.

MITTWOCH
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IV. NOTWENDIGKEIT UND WEGE INTERNATIONALER WIRTSCHAFTSPLANUNG

9.— 1. INTERNATIONALE PLANUNG DER WIRTSCHAFTSZWEIGE

Redner: Dr. M. Palyi, Wissenschaftlicher Beirat der Deutschen Bank und Disconto-Gesellschaft, Berlin, und Professor an der Handelshochschule zu Berlin

9.40 Diskussion: Professor Ernest M. Patterson, Präsident der "American Academy of Political and Social Science", Philadelphia, U. S. A.; Hugh Quigley, Oberster statistischer Beamter des Zentralelektrizitätsausschusses, England.

10.10 Allgemeine Diskussion: Morris L. Cooke, Beratender Ingenieur, Mitglied der Kraft-Kommission des Staates New York, früher Direktor der öffentlichen Bauten von Philadelphia; Eugen Hess, Statistiker, Kontinentale Handelsbank, Amsterdam.

MITTWOCH (fortgesetzt)

10.45 Pause

11.— 2. MASSENVERTEILUNG UND ERHÖHUNG DER LEBENSHALTUNG

Redner: Edward A. Filene, Wm. Filene's Sons' Co., Boston, U. S. A.

11.30 Diskussion: P. J. S. Serrarens, Senator, Sekretär des Internationalen Bundes Christlicher Gewerkschaften, Utrecht, Holland.

12.— Allgemeine Diskussion: Dr. Rudolf Fernegg, Generalsekretär des Deutschen Hauptverbandes der Industrie, Reichenberg C. S. R.; Dr. Robert Wilbrandt, Professor an der Technischen Hochschule, Dresden.

13.15 Schluss der Sitzung

Nachmittag Keine Sitzung

20.30 Fortsetzung der Allgemeinen Diskussion: R. J. Mackay, Management Research Groups, London; I. A. Kraval, Direktor des Arbeitsforschungsinstitutes und Mitglied des Staatlichen Planungsausschusses, Moskau; Honora A. Enfield, Sekretärin des „International Co-operative Women's Guild" (WELCHE EINEN BERICHT UEBER „DIE KOOPERATIVE BEWEGUNG DER KONSUMENTEN - EINER DER ERSTEN VERSUCHE DER GEPLANTEN WIRTSCHAFT" ERSTATTETE); Dr. E. C. van Dorp, Privatdozentin der Nationalökonomie an der Universität zu Utrecht, Holland.

DONNERSTAG
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9.— 3. DAS FUNKTIONIEREN DES INTERNATIONALEN FINANZSYSTEMS IN DER WELTWIRTSCHAFT

Redner: Dr. M. Palyi, Wissenschaftlicher Beirat der Deutschen Bank und Disconto-Gesellschaft, Berlin, und Professor an der Handelshochschule zu Berlin

10.— Allgemeine Diskussion: Dr. Max Lazard, Paris; Dr. Robert Wilbrandt, Professor an der Technischen Hochschule, Dresden; Dr. F. C. Benham, London School of Economics and

DONNERSTAG (fortgesetzt)

Political Science, London; J. H. Cohen Stuart, Amsterdam; Charles O. Hardy, Wirtschaftliches Institut der Brookings Institution, Washington; A. Cohn, Direktor des Instituts für Aussenhandel, Moskau; Christian Stoltz, Bureau für Gegenwartsprobleme, Frankfurt a.M.; M. D. Dijt, Landwirt, Holland; Professor F. Wilken, Privatdozent der Nationalökonomie und Soziologie an der Universität zu Freiburg i.Bad.; Dr. Otto Neurath, Direktor des Gesellschafts- und Wirtschaftsmuseums, Wien; Dr. Lewis L. Lorwin, Wirtschaftswissenschaftliches Institut der Brookings Institution, Washington.

11.— Pause

11.15 Fortsetzung der Allgemeinen Diskussion:

12.45 Schluss der Sitzung

14.15 4. WIRTSCHAFTSDIENST DES VÖLKERBUNDES

Redner: Professor Rudolf Broda, Präsident, Bund zur Organisation des Fortschrittes, Professor der Sozialwissenschaft, Antioch College, Yellow Springs, Ohio

15.— 5. ERFAHRUNG UND MÖGLICHKEITEN IN INTERNATIONALEN WIRTSCHAFTSVERTRAGEN

Redner: Professor Joseph Chamberlain, Columbia Universität, New York

15.45 Pause

16.— Diskussion: Dr. Max Lazard, Paris; Hans Mars, Referent für Arbeitswissenschaft und Rationalisierungspolitik der Kammer für Arbeiter und Angestellte, Wien.

16.45 Allgemeine Diskussion: M. D. Dijt, Landwirt, Holland; A. B. Cohen Stuart, Schriftleiter der Zeitschrift des Völkerbundes für Holland; John de Stoop, Assistent am Forschungsinstitut der Harvard Universität; A. Cohn, Direktor des Institutes für Aussenhandel, Moskau.

17.45 Schluss der Sitzung

FREITAG

28

V. LEBENSSTANDARD—DIE RESULTANTE VON PRODUKTIONSKAPAZITÄT UND KAUFKRAFT

9.— 1. INTERNATIONALE ÜBEREINKUNFT ÜBER ARBEITS-STANDARDS

Redner: Albert Thomas, Direktor des Internationalen Arbeitsamtes, Genf.

10.— 2. DIE WIRTSCHAFTSPOLITIK DER INTERNATIONALEN ARBEITERBEWEGUNG

Redner: F. Naphtali, Leiter der gewerkschaftlichen Forschungsstelle für Wirtschaftspolitik, Mitglied des Reichswirtschaftsrates, Berlin

10.45 Pause

11.— Diskussion: Professor Dr. Frieda Wunderlich, Nationalökonmin, Mitglied des Preussischen Landtages, Herausgeberin der "Sozialen Praxis", Berlin; Dr. M. G. Levenbach, Dozent an der Sozialrechtlichen Fakultät an der Universität zu Amsterdam.

11.45 Allgemeine Diskussion: Dr. W. L. Valk, Niederländisches Oekonomisches Institut, Rotterdam; Kenneth R. Middleton, Sekretär, Management Research Groups, London; Erich Lübbe, Vorsitzender des Gesamtbetriebsrates des Siemens-Schuckert A.-G., Berlin; Dr. John Henry Richardson, Professor für „Industrial Relations" an der Universität zu Leeds; Dr. Otto Neurath, Direktor des Gesellschafts-und Wirtschaftsmuseums in Wien; Dr. E. C. van Dorp, Privatdozentin der Nationalökonomie an der Universität zu Utrecht, Holland; Dr. Ethel E. Osborne, Industrial Health Consultant, Universität zu Melbourne, Australien; Professor Dr. Goetz Briefs, Direktor des Instituts für Betriebssoziologie und Soziale Betriebslehre an der Technischen Hochschule zu Berlin; Dr. Rudolf Broda, Professor der Sozialwissenschaft, Antioch College, Yellow Springs, Ohio; I. A. Kraval, Direktor des Arbeits Forschungsinstitutes und Assistent beim Arbeitsausschuss, Moskau.

12.45 Schluss der Sitzung

FREITAG (fortgesetzt)

VI. "ROUND TABLE" KONFERENZ ÜBER DIE ARBEITSSTÄTTE

Vorsitzender: Professor Dr. Goetz Briefs, Leiter des Instituts für Betriebssoziologie und soziale Betriebslehre an der Technischen Hochschule zu Berlin

15.45 1. ERSTE SITZUNG

Ausgangspunkt für die Diskussion:—Die Bestimmungen für das industrielle Arbeitsverhältnis, die zum Zweck der Diskussion von einem Ausschuss der Taylor Society, New York, niedergelegt wurden. Die Diskussion wird eröffnet durch: Morris L. Cooke, beratender Ingenieur, Mitglied der Kraftkommission des Staates New York, früher Direktor der öffentlichen Bauten von Philadelphia, U. S. A.
Bericht mit Titel erwähnt: Menschliche Verhältnisse in der Elektrischen Industrie in den Vereinigten Staaten und Canada durch H. H. Broach, Vorsitzender der Internationalen Brüderschaft der in der elektrischen Industrie betätigten Arbeiter, Washington, D.C., U. S. A.

17.45 Schluss der Sitzung

20.15 **VII.** DIE NOTWENDIGKEIT DER SOZIALÖKONOMISCHEN PLANUNG DER WELT

Redner: Mary van Kleeck, Director Industrial Studies, Russell Sage Foundation, New York; Vize-Präsidentin der I. R. I., Vorsitzende des Programmausschusses.

ANALYSIS AND REVIEW OF THE CONGRESS

BY MARY VAN KLEECK, CHAIRMAN OF THE PROGRAM COMMITTEE, VICE-PRESIDENT OF THE I. R. I, DIRECTOR DEPT. OF INDUSTRIAL STUDIES OF THE RUSSELL SAGE FOUNDATION, NEW YORK, U. S. A.

Millions out of work in a world of abundant resources enhanced by productive capacity which has increased faster than the population; millions more suffering from the fear of unemployment; multitudes in want while producers cannot sell the output of farms and mines and factories - this was the condition which was set before the Congress as the supreme challenge to the intelligence and the social capacity of this generation. Social Economic Planning was the subject to be explored as the possible way toward a better future. The subtitle defined it as the "adjustment of productive capacity and standards of living." As an international gathering the emphasis of its program was upon the interdependence and the co-operation of nations as members of the world community.

Out of the substance of eighteen prepared addresses and eighty separate contributions to the discussions by sixty individuals, besides the eight preliminary economic analyses of the recurrence of unemployment in as many different countries, it is the task of this review to attempt to reveal the common thought and purpose: to give due weight to differences of opinion and conviction; and, if possible, to bring to a focus the lines of thought leading toward the co-operative action which humanity desperately needs.

Hence though the Chairman of the Program Committee in presenting this review must alone be responsible for this formulation of data and ideas, the material is not hers.

At the opening session the President, C. H. van der Leeuw, thus defined the scope of the subject and the purpose of the Congress:

When we speak of an economic plan, we would, for the moment, not consider its exact scope, whether it would be a planned economic system,

or an economic plan along larger, general lines. We believe that in this Congress, these questions should be scientifically and objectively examined.

We know that in different nations great difficulties prevail. We are convinced that in this week these problems should be analyzed internationally, for only so will a guarantee for the future be envisaged, that such catastrophes, of the gravity of our present experience, will not occur again.

It will be your task this week, in the mass of material which we have before us, and in the many details, to look for the right lines which will create better conditions for the future, not only for one class, but for all classes of the human society.

Membership of the Congress.

The group upon which devolved the work of examining this momentous subject at this crucial moment was self-determining; not delegated by governments or organizations to act for them. The Call for the Congress had closed with this paragraph:

The I. R. I, invites to participate in this Congress not only its own members but likewise all who, either from study or experience, have a contribution to make, or who seek to share in a growing awareness of the unity of economic life. It offers its platform to leaders of business and labor, economists, management engineers and representatives of governmental activities, to seek for a sound basis of co-operative, constructive effort toward a planned development of productive capacity and standards of living.

Such stimulating variety of thought and experience as this Call invited was actually present. Men and women of these different groups in the industrial community came from twenty-three different nations. To say that they were typical of average citizens, representative of similar good-will and interest on the part of a much larger group, is to give added significance to their deliberations, while not ignoring the unique value of the work of many of them on this subject.

Some were missing whose presence was needed. Those invited from Latin America were unable to come. None came from Japan and too few from India and from China, whose participation by the Chinese themselves was in absentia, represented in one of the preliminary studies. Spokesmen for these areas were found among individuals of other nations who knew their conditions, but their own nationals would have

enriched the discussions. In so far, however, as the Congress succeeded in rising to a world point of view, the way was prepared for all of these to share in the activities and the study which should be its results.

Among those who accepted the invitation were delegates from the Union of Soviet Socialist Republics, chosen from the planning institutions of their government. Announcing the delegation, they wrote that they would "be glad to co-operate with economists of various nations and are convinced that this Congress will help to create a better mutual understanding between different countries." This was the first international occasion for a group from the Soviet Union to make their own report on the principles and procedure of Russia's new economic system, particularly as it is exemplified in the Five-Year Plan. Their coming, therefore, did not merely add one nation to the list, but brought to the discussion the record of experience with social economic planning under communism, as it is actually in effect in the Soviet Union.

Moreover, the point of view of the Russians, absorbed as they are in putting into practice an economic system based upon a particular interpretation of economic history and institutions, gave a characteristic touch of difference to their ideas on all the other topics of the Congress. Comparison is always illuminating, and this opportunity to consider the theory and the potentialities of planning at the different stages of capitalism now represented in different nations, in contrast with actual experience in socialist planning for industrialization, was a significant feature of the Congress.

But the Congress was not called to debate the differences between capitalism, socialism and communism. It was called to seek, at deeper levels than the differences which divide nations and groups, the fundamental basis for co-operation which the realities of economic interdependence are establishing. First, to examine the facts; then to formulate the problem; then to consider experience already gained in dealing

with some, at least, of its aspects; and finally to give some stimulus and direction to the study and promotion of planning for social ends - this was the program.

The Facts.

The recurrence of unemployment in the last two decades was the subject of the analyses by economists which laid the factual basis in reports issued in advance. It is unnecessary here to repeat the facts, which are presented in the first of the two books embodying the material of the Congress, under the title, International Unemployment. The emphasis is upon fluctuations, not merely extent of unemployment. Standards of living are menaced by the insecurity of the downward movement which has followed the upward swing in the trends of economic activity known as the business cycle. The data brought together establish these fluctuations clearly as characteristic of the economic life of countries as different as Australia, Canada, France, Germany, Great Britain, the United States, and Russia in the pre-war period and in the disturbed condition following the revolution. Only the Russia of the Soviets in the present seems to have broken from the influences which have plunged all the other countries simultaneously into the deepest depression in the history of their statistical records; while in Russia the problem is the reverse - a shortage of labor. China, with its lack of statistics and its differences in degree of industrialization, cannot be precisely compared with other countries, but the evidence brought together showed essentially the same problem of insecurity of livelihood.

The list of countries analyzed is of course incomplete. They were chosen as illustrative of the problem, not to give an all-inclusive picture of the nations. For a country like China, entering upon industrialization; for areas of surplus, like the United States and Canada; for regions dependent upon the market for raw materials, as is Australia;

for highly developed industrial areas like Great Britain and Germany; and even for the uniquely balanced economic life of France, insecurity in the opportunity to earn a living, of which recurrent unemployment is the symptom, is an established fact. Despite all the studies of business cycles which have occupied economists for the past twenty years, fluctuations in these countries have not lessened. The present is the deepest, the most widespread, the most international of them all.

The discouraging condition, moreover, comes at the close of a period of unprecedented growth in productive capacity. As Dr. Otto Neurath pointed out, with the vivid pictorial charts of the Social Economic Museum of Vienna which he directs:

> This picture * shows us that from the decade of 1870 to 1879 to that of 1920 to 1930, the population has increased by 50 per cent, production of wheat, also, by 50 per cent, potatoes by 100 per cent, sugar by about 500 per cent, and so forth. The railroad car loadings, the freight tonnage were quadrupled.
>
> I wish forcefully to emphasize that despite the proportionate growth of population and grain, lack of wheat prevails and the supply furnished to men has decreased.... For a variety of reasons, actual production is less than the real productive capacity.

Thus standards of living are lower than they might be if productive capacity were fully utilized. But there is a further effect of this failure to produce to capacity. It is in turn a cause of unemployment. Dr. Neurath said:

> But always, even under the best conditions, there is underconsumption; there is continually a "reserve army" which in the United States numbers a million workers. The curtailment of a fixed production shows itself not only in the fact that this output does not become available for consumption, but, also, at the moment when this production is curtailed the laying off of workers begins, and with it as a result the lack of full utilization of the output of consumers' goods.

This underconsumption and the resulting curtailment of production block international trade. The ships to carry the goods encircle the globe, but their holds are partly empty. Different regions have specialties to contribute to world trade

* See picture on page 106.

from their natural resources or their growth in labor's skill and in material and mechanical equipment, but they cannot make them available for use by those who need them in other countries. International commerce is obstructed. Goods are piled on shelves and grain in storehouses. Entrepreneurs who a while ago sought eagerly for new methods and machines to increase production now talk of limiting their output or destroying it in order to restore the price of the decreased supply.

The Problem of the Present Crisis.

In these paradoxes Dr. Neurath found the present problem. It is not lack of resources nor of skill to convert them to use. Nor is it lack of need for them. Standards of living are below the level which existing productive capacity would make possible if fully utilized. Disregarding for the moment all questions of national policy or of the form of the economic system, the paradox is seen to be essentially a problem of economic organization.

The problem is not to restrict but to develop and utilize production to its maximum, to meet unfulfilled needs in standards of living on a world scale. Consumption can balance production in a progressive, developing economic system only by raising standards of living as productive capacity increases. To curtail output to balance restricted consumption, i.e., standards of living out of relation to possible production, is to check economic growth and to destroy potential wealth. Unemployment, of course, is a result and a symptom, but, as was pointed out by Dr. F. C. Benham of the London School of Economics, who prepared the preliminary reports on recurrent unemployment in Great Britain, France and Australia,

Employment is not an end in itself. If we could manage to give everyone a high standard of living and work only four hours a day, or four days a week, so much the better.

In this view of the problem, Dr. Benham was in accord with other speakers who emphasized raising the standard of living as the task laid upon the nations by the present economic crisis. "I think it is very important", he said,

> to keep this aim in the foreground, that is, to increase as far as possible the standard of living with all that implies - to give people an opportunity to live fuller and better lives. But what follows from that? The standard of living must depend in the long run upon production..... For a time a country can live partly on borrowed capital. Australia and Germany have done it recently, but in the long run the standard of living does depend upon production, and, therefore, the way to economic progress, which will make possible other and fuller kinds of progress, lies through increased production.

What then are the circumstances which are preventing this full utilization of production as the source of higher standards of living? Dr. Max Lazard, of France, answered the question in his paper on "The Significance of World-Wide Unemployment", with which the formal sessions of the Congress began. He summarized the preliminary reports of economists, and drew upon other studies of the present situation for the kind of comprehensive analysis which is necessary to keep discussion of planning close to the real circumstances of the present world-wide difficulties.

Dr. Lazard began with an analysis of unemployment, particularly its present phase. The paradox, sad to say, is centered in the experience of one and the same person, who, while suffering want, is condemned to idleness instead of work. Moreover, the unemployment of one, who therefore cannot utilize the service or the product of others' labor, gives rise to the unemployment of another. Dr. Lazard asked two questions: (1) What are the circumstances capable of causing a lack of equilibrium between supply and demand in employment? (2) To what particular combination of unfavorable circumstances is due the enormous increase in the number of those now unemployed in the world?

At the outset it must be recognized that lack of equilibrium in general cannot be ascribed to a single cause, but on the

contrary an almost unlimited number of circumstances may be involved. Dr. Lazard classified these as follows:

> In the first place, there are all those which affect the labor market, and notably the relation, emphasized by Dr. Benham, between the general level of wages and the general level of prices.
> In the second place, there are all those which affect the market for goods. It is not difficult to see that everything which increases the demand for products favorably affects the opportunity for employment, while that which diminishes this demand acts unfavorably.
> In the third place, there are the occurrences in the money market; abundance of capital stimulates production, and, therefore, the opportunity for employment; abundance of the means of payment stimulates exchange, thus, indirectly, production, and, thereby, the demand for labor; scarcity of capital or the means of payment produces the opposite effect.
> Finally, in a less close connection, should be mentioned those occurrences, non-economic in character, which lead to economic consequences. Thus variations in climate, particularly favorable or unfavorable, can disturb the equilibrium between agriculture and industrial production, and this difficulty can be reflected in the labor market. The relation is similar for every invention, scientific or technical, for political revolutions, for wars, etc..... These are not causes in the philosophical sense, but merely influences more or less discernible, more or less potent.

Summing up these influences in their classifications, on the basis of the preliminary studies, Dr. Lazard evaluated them in the light of the present crisis. In the labor market, on the side of the search for work one finds such influences as increase in population (which was rejected as not being a prime factor in the present unemployment); excess of immigration or of emigration (which was not regarded as weighty in its present influence); desertion of the country (which received support as an adverse influence in that the contrary condition in France, the maintenance of a relatively large agricultural population, appears to be one of the reasons for relatively less unemployment there); absence, or inadequacy, of a centralized placement service, i. e., employment exchanges, (which were shown to have played a useful role in England); difficulties for workers displaced by such circumstances as the competition of women in industry, or of child labor, bad vocational guidance of young people, lack of vocational education, and physical handicaps; and excessive demands of trade unions relating to conditions of employment (which Dr. Ben-

ham had described as interfering with the adjustment of wages to prices to lessen unemployment in England and Australia, while their absence in France was held to explain partially the greater elasticity in the movement of wages of French workers).

Demand for labor, on the other hand, within the labor market, is affected by seasonal irregularity in the rhythm of production in certain industries; the length of the working day, which many believe should be reduced; change in the method of production and especially its mechanization as illustrated in declining employment on the railroads in the United States; and rationalization of production, which, like mechanization, may permit reduction of personnel without reducing output. Dr. Robert Wilbrandt, Professor at the Technische Hochschule, Dresden, who prepared the preliminary report on Unemployment in Germany, had reported this as a strong influence in Germany, but Dr. Benham had made the contrary observation for Great Britain and France. Dr. Lazard pointed out, however, the general agreement that in the long run the progress of mechanization and of rationalization produces a favorable effect on employment. Further discussion of this important subject was to be had in connection with the presentation of scientific management at a later session. Here it was merely inventoried as a circumstance actually present in the total picture of modern industry as lessening the demand for labor in proportion to a given amount of production.

The inventory of the second great market, the market for goods, was divided, as was that of the labor market, into demand and supply. Demand for goods was shown to be influenced by seasonal fluctuations; by change in usage affecting a particular product or service, often the result of scientific or technical progress; by obstructions to commerce between countries, other than political measures like the tariff, and by the comparative weakness of the purchasing power of wages.

These last two are so closely tied with the theme of the Congress and with the subject of this analysis, which emphasizes world influences, that they need elaboration at this point. As to the closing of international commerce as a cause of unemployment, Dr. Benham had shown that a certain number of important customers of Great Britain, notably India, Australia, Canada and China, had set themselves to the development of their own industrial production and therefore had less need to import than formerly. In China there intervened also the general poverty of the country and, notably, the disturbance in the rate of exchange of its currency, which restricted imports.

Inadequate buying power of wages as a cause of unemployment was cited by Dr. Lazard as the thesis of many workmen, who contend that it would be better for trade if higher wages were paid, because this would make it possible for them to consume to advantage. There is no overproduction, according to this idea, but underconsumption due to the fact that the credit of the worker with society is less than the total of the wealth produced by him. Dr. Lazard suggested that this, however, could not wholly account for unemployment, as other factors are demonstrated. But he added:

> It is undebatable that the contracts of labor are far from conforming always to equity or harmonizing with the actual respective productivity of labor and capital. In proportion as wages are actually below normal economically, one must admit that their deviation acts unfavorably upon the process of trade.

Still within the category of the market for goods, one finds on the side of supply as contrasted with influences just listed affecting demand, two questions of great importance; overproduction, and what Dr. Lazard described as "excessive rise in cost price". On neither of these did the preliminary studies for the Congress yield direct data, but both were recognized as affecting the possibility of selling goods.

Partial overproduction, said Dr. Lazard, is recognized as a reality, and no one denies that it causes a fall in price and

a paralysis in trade. In a particular enterprise it can be explained as due to an error of judgment of the director or some other cause, but it is more difficult to conceive of it as a general phenomenon. Nevertheless, experience of recent years makes it difficult to deny that general overproduction occurs from time to time and occasions the movement from prosperity to depression. The great question needing elucidation, which is also of considerable practical interest, is to determine the circumstances of overproduction, whether they are characterized by periodicity which can be forecast and prevented.

Summing up these general crises as revealed in the preliminary studies, Dr. Lazard said:

> The crisis of 1921 to 1922 appears with very special distinctness; that of 1926 to 1927, while not so clear, is, all the same, undeniable; as to that which began in 1930, its gravity alone would be cause for examining it. Many think that it is not like preceding crises, but a definite and irremediable breakdown of the capitalistic system as it has developed in the past thirty years.

Of excessive costs of production Dr. Lazard named two - the demands of trade unions in the matter of wages, and the burden of taxation, more especially social charges upon industry. He called attention to this subject in Dr. Wilbrandt's report on Germany, with its emphasis upon the weight of reparations in the national budget, and correspondingly in the budget of every taxpayer. The German report had also shown the burden of public expenditures, which, in so far as they are covered by taxation, are also an unfavorable influence upon German industry.

Turning to the third great category of influences affecting unemployment, the financial market, Dr. Lazard analyzed the factors affecting the market for capital and those influencing the money market. Germany's unemployment had been explained as due in large measure to insufficiency of free capital, and particularly to lack of long-term credits, which compelled resort to short-term loans, that is, to the money market rather

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than to the investment market. Withdrawal of short-term credits by foreign investors paralyzes production and trade and causes unemployment; but Dr. Lazard observed that the excessive industrialization of Germany should be taken into account as a cause of disproportion between available capital and available manpower.

In discussing the factors affecting the money market, Dr. Lazard faced the various theories of the gold supply and of the stability of currency. These crises might be avoided, according to one theory, if the volume of currency always increased in exact ratio to the volume of commercial transactions. Lack of elasticity in the currency is attributed by some to inadequacy of the gold supply, or its unequal distribution among the central banks. These questions of finance, however, can best be dealt with in connection with the session on that subject. They are mentioned here to complete the framework of Dr. Lazard's analysis of the problem.

He found the cause of the exceptional gravity of the present extent of unemployment in the cumulative effect of a concurrence of many of the factors just enumerated. Least important as a cause of unemployment, was the situation in the labor market itself. Here apparently is another paradox in this paradoxical subject: Unemployment today is not a problem of unemployment, but of markets and finance. It is an economic crisis displaying the aspect of the crisis of unemployment prevailing within the several nations. Dr. Benham's estimate is quoted that of every sixteen unemployed in Great Britain, the idleness of five is attributable to familiar causes of maladjustment in the labor market; six to conditions peculiar to England after the war; and five to the general economic crisis. It is this portion of the total problem which must be examined before the subject of world planning can be realistically discussed.

Drawing on several studies of the causes of this general

ished Europe and underestimated the future capacity of production of Europe restored. The first error explains the crisis of 1920 to 1921; the two errors together, especially in wheat and sugar, led to the 1929 and the present crisis.

But why was this process so slow, since in 1925 Europe attained the pre-war level of production? First, powerful instruments to sustain prices were set up in different countries - the Canadian Wheat Pool, the Federal Farm Board of the United States, the Institute for the Protection of Coffee of San Sao Paulo, the Copper Trust, the Stevenson Plan for rubber, and others. They prolonged the resistance of producers. Second, large credit facilities were extended by the banks to industry and agriculture. Finally, the extraordinary speculation on the stock exchange in the United States drew in not only American capitalists, large and small, but the whole world. The profits of producers were no longer made out of their normal enterprises, but out of movements on the stock exchange. This considerably increased their power of consumption of manufactured goods, automobiles, gramophones, electric refrigerators. But the method was hazardous and caused serious injury to European markets. Pushed to extremes in the United States, it prepared the way for the cataclysm of 1929-31. Moreover, transactions in preparation for the restoration of the gold standard in several countries which had abandoned it, especially those of the Bank of France, brought to New York an accumulation of money which was available for short-term loans and enhanced the manipulations of speculators.

At this same time, the United States was believed to be entering upon a new era of lasting economic progress. This hope was dangerously sustained by instalment buying, which artificially stimulated consumption, and by the action of American bankers, based on their judgment of the stability of the price level.

In this atmosphere of optimism, deceived by statistics of prices, capitalists in the United States undoubtedly multiplied excessively their industrial investments.

Another factor was thus described by Dr. Lazard as pertinent to the advocacy of economic planning:

> The concentration of industrial enterprise, the monopoly of its management by a small number of powerful individuals. Another curious thing, of which the advocates of a directed economy perhaps do not take sufficient account: The more the gathering of savings and the disposition of capital have become the object of concerted decision, the more, apparently, the economic mechanism, which had assured the development of capitalism in the 19th century, has been upset. Disappearance of competition to eliminate the less fit? Excessive reinvestments taken out of gross profits before apportionment of dividends and compromising the balance between savings and consumption? Errors of judgment not compensating? Lumping of available resources in too limited a number of branches of industry? From many sides are formulated against "economic congregations" grievances which undoubtedly cannot be without foundation.

This statement of the case against economic planning, as Dr. Lazard defined it, is quoted at this point as part of this detailed synopsis of factors in the present unemployment, because it shows how these details may serve to sharpen the discussion of planning which is to follow. It would appear unnecessary to paraphrase in this review Dr. Lazard's elucidation of the whole problem, except that the unity of discussion of world planning requires that this vividly detailed picture of the present state of the economic machine and its functioning be brought into juxtaposition with proposals for better organization.

Three or four more main points in Dr. Lazard's analysis are necessary to complete the picture. While finding the principal center of the world crisis in the United States, for reasons already described, he found secondary centers in other counties: in Germany, obliged to finance national industries with short term foreign loans; in Central Europe, and notably Austria, unquestioned difficulties due to the remaking of political frontiers; in England, and to a certain degree in Italy, the

trouble arises from stabilizing money at a level too high for exports, and in general from slackening of exporting in certain directions.

The discussion of taxation as contributing to lack of balance need not here be repeated, except to underscore the point that war debts and reparations contribute to the disorder not because they are large in comparison with total taxes, but because of the one-sided character of the process of transfer, which greatly disturbs international commerce.

The anxiety induced by this situation throughout the world is further aggravated by uncertainy in international relations, revolutionary agitation in various countries, and the precarious position of numerous governments. The difficulty of commercial relations with the Union of Soviet Socialist Republics was among these special causes of anxiety. Finally, against this troubled background has arisen the deplorable irritation of economic nationalism throughout the world; everywhere customs barriers, everywhere obstacles to free migration, almost everywhere an aspiration, more or less unreasonable, toward economic self-sufficiency. Excusable, perhaps, because political r a p p r o c h e m e n t between the principal nations has not been achieved, and, consequently, their security is a gamble; but undoubtedly these manifestations of nationalism are retarding the world adjustment of the forces of production in harmony one with another.

Four discussions of the subject of this session - The Paradox of Unemployment - served not to contradict but to supplement or to give a different emphasis to the details of Dr. Lazard's comprehensive portrayal.

D r. B e n h a m suggested a new examination of l a i s s e z - f a i r e. In the sense of disregard of proper working conditions in factories, it has gone, he hoped, forever. In the sense that business should be run by individuals, it had, also, disappeared, giving place to large-scale undertakings, which, in Great Bri-

tain at least, are operated by public or semi-public authorities. "But the sense of laissez-faire for which economists plead is a different thing", he said:

> It is the sense of leaving the price mechanism free to register, on the one hand, changing needs of consumers, and, on the other hand, changing obstacles in the way of getting things produced; leaving the price mechanism free so that prices can act on the one hand as indications to producers of the changing demands of the public; and on the other hand as indications to consumers of the lines in which greater progress is being made, and in which it is, therefore, possible to expend a larger proportion of their income.
>
> In this sense laissez-faire has not had a chance during the last few years. It is no good saying laissez-faire has failed; it has not been tried. We have seen in every country cartels, combines, tariffs, subsidies, quotas, etc., and as we look at the last few years we can see that all these things have helped to make the depression almost inevitable. Different industrial combinations have restricted production instead of increasing it. Maintaining artificial prices for a time has led to a worse collapse in the end. Laissez-faire in the sense of leaving the price mechanism alone has not had a chance. I ask you to remember that; for to restore it may be a better alternative than "Planwirtschaft". *

Whatever the conclusions of the Congress might be, however, Dr. Benham believed that it would be worth while if it made its members

> feel that the world is a unit, that .... in order to help the world as a whole it is necessary for the countries of the world to forget their false national patriotism, not to insist too much upon absolute sovereignty but to come together in order to seek a better means of arranging the affairs of the world internationally as a whole.

Citing Germany as an example of the contrast between "progress and poverty", Dr. Wilbrandt sketched the causes of the present crisis there. With the aid of foreign loans, a rationalization movement began in 1927. Following it were the years 1928 and 1929, with a million unemployed even in the favorable season of summer. "Every unemployed had lessened purchasing power, so that fewer products were sold, and thus unemployment spread."

In 1930 came the breakdown of governmental finances. Building construction on a large scale had been supported by public funds. From a total of 9 billion marks in 1929, from both

* A planned economic system in the sense in which it has been advocated and opposed in Germany.

public and private funds, it dropped to 5 billion in 1931. This meant unemployment in the building industry, and more unemployment in trades from which building employes purchase, traceable to the difficulties in the governmental budgets, already mentioned by Dr. Lazard. These difficulties were threefold: a shrinkage in income from taxes and public undertakings like the railroads; an enlargement in expenditures for the unemployed and for increase, established in previous years, in compensation of governmental employes; and reparations which betokened a greater burden than public salaries and pensions. Finally, in the year 1931 the effects of the world economic crisis showed themselves in the falling off in exports. Thereby the vast plans for forcing exports, toward which rationalization had been directed, became unworkable. Simultaneously came a fresh increase in general unemployment, and, in the summer of 1931, the well-known events in the banking situation, of which Dr. Wilbrandt mentioned only the raising of the discount rate by the Reichsbank as a theoretical deflation, with more unemployment of greater significance than previous increases.

For this betokened Germany's "Fessel", her fetters, which prevent the removal of unemployment. Reparations must be paid in foreign currency, and depend upon an excess of exports over imports. But Germany has had no such surplus. To achieve it, she took foreign loans and rationalized her industries. This added to reparations new foreign debts with charges for interest and amortization, all of which must be equaled by surplus exports of a quantity attained only in the year 1930, and then, primarily, not by increased exporting but by decreased importing; with production slackened, less raw materials are needed; as the unemployed buy less, less is imported. Thus by the slowing down of production and by the suffering and deprivation of the unemployed, the surplus of exports was achieved in the year 1930. But in 1931 exports fell off so

sharply that these means of foreign payment were no longer possible.

If by a miracle unemployment could now be lessened, the consequences would be more buying power, more consumption, therefore more imports, especially of raw materials and food supplies, and more need for currency, with corresponding intervention by the Reichsbank, raising of the discount rate, restriction of production, and again more unemployment. If unemployment is decreased, thus must it work toward more unemployment. These are the fetters in Germany's "balance of payment". How can they be unloosed?

The possibilities are threefold: To decrease the scarcity of currency, imports should be lessened and foreign travel renounced. Or exports should be increased together with German foreign shipping, and thus more foreign money obtained. Or reparations should be lightened. The way to increased exports is blocked by customs duties throughout the world, which are daily increased despite all warnings from Geneva; only by decreasing wages can German exporters cross the tariff walls, but foreign countries may, also, decrease wages.

This, then, is the significance of Germany's place in the world economy, as summed up by Dr. Wilbrandt:

> The world economy suffers if Germany falls out as a market and German travelers stay away. The world economy suffers if we force exports and so compel other countries, equally, to depress their prices and wages, that they may not lose their exports. The lowering of reparations is, also, unsatisfactory for those who are to receive them.

Dr. Wilbrandt closed with an appeal for understanding of Germany's position:

> If we draw back into national economy and, so to say, flee from world economy, then may you not look upon it as antagonism toward the world. If we force our exports in order to pay reparations, I beg you not to feel it as a desire for aggression against the rest of the world. And if we continously speak of reparations, I ask you to see in it no contentiousness but an outlet for the need which weighs us down.

To this analysis of Germany's problem as part of the world

problem, Mr. Valery V. Obolensky-Ossinsky, head of the delegation from the Soviet Union, added a further view at a later session of the Congress. Speaking of the specific features of this crisis, as distinct from the general characteristics of recurrent depression, he said:

> Is it not very obvious that you have in Europe a system of relations between nations, one of which is oppressed and the other the oppressor? If one nation has to deliver to the other, without equivalent, goods and money, this is a fundamental basis for an unbalanced situation between the chief European countries.

Another specific feature of the present disorganization in the world's commerce (already mentioned by Dr. Lazard) was found by Mr. Ossinsky in the fact that a great country, having a territory of about one-sixth of the world, is practically excluded from normal commercial relations. He referred, of course, to Russia:

> This is a state which is considered by many countries of the world as a very dangerous country with which no normal commercial relations can exist, which cannot be recognized. I do not plead here for any recognition, because my country now is in a position where it is not at all necessary. But from the point of view of the whole economic mechanism of the world commerce, can this be recognized as a normal situation, when one-sixth of the world - and the biggest potential market - is not included in the commercial exchange of the world?

At the same time Mr. Ossinsky gave his interpretation of the present economic crisis. Today's paradox of unemployment in the midst of economic progress is one of the crises of general overproduction, which are totally different from the fifteenth, sixteenth or seventeenth-century partial crises mentioned by certain other speakers. Karl Marx predicted that these general crises, associated with the development of the capitalistic mode of production and its spread to new countries, would grow in extent, in depth and in sharpness, until the critical period of capitalism should appear. The present, in Mr. Ossinsky's

view, is this predicted crisis. The explanations given of it, even by economists who have opposed Marx's theory, are exactly his: Lack of a plan in production, and deep divergence between productive capacity and the buying power of the masses.

Mr. Ossinsky found the basic contradiction in the growing socialization of the process of production and the private form of appropriation of its results. He believed that the paradox could be eliminated only if this contradiction should cease to exist, by the transposition to a new method of production, to the socialist method as applied in Russia. "You can be of different opinions about the Russian means of production", he said: "but one fact cannot be denied: We have no general crisis of production in Russia, and this is a very logical result of the change in the basic fundamental of economic struggle."

Mr. Ossinsky found, also, in the technological unemployment of the present a quite new significance as compared with the mechanical changes of the past. He explained it thus:

> Now the world is going from one technological basis to another. What we have is the beginning of the change from steam to electricity as the driving power of industry. This is the real basis of all technological unemployment. I could demonstrate that all improvements of a more complicated nature in machine building everywhere are based on the change from steam to electricity. This is the beginning of a technical revolution which cannot go to the end under conditions of capitalistic production..... Only on the basis of the socialist system of production can the new driving power of industry - electricity - become a real foundation for social production.... The appearance of electricity as a new driving power, creating the beginning of a new revolution disorganizing capitalistic production, is one of the reasons why there is technological unemployment greater than in the past. It is one of the signs that this is a critical period of capitalism, which cannot master the new technical basis now developed by scientific technology.

Here then was a statement of another and a final paradox, that the technological development of industry in capitalistic countries had achieved in electricity a driving power which

capitalism cannot master or develop. This is because capitalism cannot develop social distribution to match the process which is socialized, i.e., which links together branches of industry and groups of wage-earners in a network of common dependence upon the same driving power, with enormously increased productive capacity. Consumption must reach corresponding capacity. The paradox of progress and poverty is thus once again explained, from a different angle of vision.

That this is no paradox, but the logical result of the fact that "the conduct of production is not ruled by social interest", had been pointed out to the Congress by Dr. F. M. Wibaut, senator and until recently member of the Town Council of Amsterdam, in his opening words of greeting. He emphasized the great need for international economic co-operation, declaring that the contrary prevailed, that "since the Treaty of Versailles, economic war has grown much more general and ....is getting more and more intense every day." Hope of peace had been stimulated by the World Economic Conference called in Geneva in 1927. Through it the League of Nations and its economic section might have made a beginning in improvement in economic relations between nations, but not even a beginning was achieved. "It is my conviction", he concluded.

> that the world is in bitter want for international economic planning.... This planning is a big work. It is like a grand building; its achievement requiries thought and time. But above thought and time such planning requires: Will - will resulting from admitting the necessity of the achievement.

The Statistical Basis for World Planning.

Without waiting for the will to realize it, however, or debating the economic theories of laissez-faire, Dr. Neurath sketched the broad lines of world planning. Starting with the assumption that the present distress is a problem of organization, he suggested an examination of the actual facts of

productive capacity and living conditions in terms of such realities as housing, food, clothing, education, recreation, leisure time, and health as measured in rates of mortality and sickness. These are the materials for a social technique which is only in its beginnings.

The approach of a social engineer is needed, and this assumes a new concept of an economic organization which shall be functional in character, tested by its results in achieving higher standards of living by planning for the maximum utilization of productive capacity. The engineer who is busy with machines deals with real materials, steel and iron and electricity and the laws which govern them. The social engineer, devising an economic machine to function toward a social end, must likewise measure production on the one hand and living conditions on the other. He must cease to think in the familiar terms of price, profit, purchasing power, credit and interest, because these measurements actually prevent the maximum utilization of productive capacity. They set as limits to production the maximum which can be sold at a price to yield the highest profit. An excess is not produced, or if it is produced it is often destroyed not because it is not needed but because under the existing system of organization it is not profitable to produce it. Thinking in terms of price prevents organizing production in terms of function. This functional economy requires the measurement described by Dr. Neurath in the German word "Naturalrechnung", measuring in kind.

Closely allied to this idea of Naturalrechnung is Dr. Neurath's method of portraying social and economic facts in charts which use pictorial symbols instead of numerical figures. They set the mind working on the problem of planning production instead of figuring financial ratios. Charts like these,* shown at the Congress, stimulated the imagination to picture the world as a whole,

* See charts reproduced on pages 106—123.

divided into large economic regions; to conceive of specialized production most appropriate to each region; and to foresee new possibilities for leveling up standards of living by utilizing to the full the productive capacity of the world as a whole. Dr. Neurath thus summed up the idea:

> We can work out a great world economic plan which is limited to consumption and production.... I would like to show how the earth looks if one regards it as a single giant workshop. Let us see first whether mankind can live on the earth, how great is its agricultural capacity. Many estimates show that almost three times as many men can live on the earth as at present, if we search out new land and apply the best known methods of cultivation.
>
> We can now similarly endeavor to picture a world economic plan for actual production of coal and other materials. We see in a brief survey that fundamentally no difficulty would stand in the way of dividing the earth into production areas. In the frame of a functional economic plan, international division of labor, on the assumption of greatest functional productive capacity, is fairly self-evident; as is general mechanization, also, of land cultivation, but not general industrialization.

Illustrating these ideas by actual facts of distribution of industries in the world today, Dr. Neurath came to the conclusion that, whatever the obstacles in national policies and in present methods of conducting industry, a functional world economy based on a world economic plan and international division of labor is possible. It would require a World Research Institute, and the development of comparable statistics on a world scale. Merely to gather the facts would not be enough. The working out of a scheme or economic model would be essential to show how the total apparatus would function with all the technical conditions, machines and human effort required. Furthermore,

> comparative models would have to be constructed to show how the desired production and consumption would be achieved in a capitalistic economy, a socialistic economy, a great national economy, or a functional economy with a money budget. Moreover, it is essential to sketch an international relief map of planes of living. Averages are of no significance, since an economic system in which half hunger and half gormandize has the same average figures as one in which all receive the same.

These statistical analyses of production, of transportation and of standards of living, and the building of them all into social

economic models are scientific tasks. Moreover, there is the educational task of social and economic enlightenment in word and picture; for "the age of social engineering begins when every man has a realization of economic order and community organization."

In these scientific and educational tasks of world economic organization a common platform is offered for co-operative work. To emphasize it is not to ignore the group of sociological-historical problems involved in such questions as:

> What social order will come, and in what way? How long will the multitude be patient to hunger, while superfluity of wheat prevails? Will it everywhere be changed only by force? How long will there be men who live in the sun, and others who live in the shadow? World history gives very pessimistic answers. It appears that in the majority of nations, decisive social changes do not come of themselves by the path of understanding. But there is no reason here to be pessimistic in advance: that is not the task of this Congress.... We have scientific work to accomplish. I do not regard this as a compromise, and I am of the opinion that every elucidation, if scientifically and earnestly carried out, is, directly or indirectly, a service to humanity.

The Principles and Practicability of Economic Planning.

In the same spirit of searching for truth, hoping always that the wasteful resistance to change in the past might in the present give place to reason and understanding as the guide of evolutionary social development, the Congress turned to scientific management to learn how far it had already shown industry the way to stability and balance.

Under the title, "Scientific Management as a Philosophy and Technique of Progressive Industrial Stabilization", Dr. H. S. Person, Director of the Taylor Society in the United States, summed up actual experience in the application of the principles of Frederick W. Taylor in American industry. The principles and procedures are research and standardization. Through their application, scientific management

> discovers, reconstructs, defines and co-ordinates the factors of a managerial situation, brings them under co-operative control, and thereby establishes relative stability.

It is not upset by change, but deals with it as a problem of research.

Through application of its basic principle of research - discovery of laws governing mechanical forces, social forces and individual conduct - it, on the one hand, makes it possible to avoid unexpected change caused by unknown forces; and, on the other hand, to promote desired change through controlled utilization of known forces.

Urged on by the necessity for study of all influences affecting a given managerial problem, scientific management has applied its principles to ever-widening areas. Always it has discovered that stabilization in a small section could be disturbed by influences from without. From its application in the workplace it has been extended by "the law of the situation" to a whole department, to a whole establishment and, finally, to groups of plants, representing often different stages of the process of production. Dr. Person thus summed up this achievement:

So effectively has this technique of detailed and general stabilization been developed in all areas of individual enterprise, that today great corporations owning many geographically scattered plants are able to manage them as an organic whole more efficiently than the small, compact plant was managed a quarter century ago. This has afforded experience of inestimable value to any attempt at collective management of still larger areas of industry.

This area of influence has now grown beyond any experience of industry in dealing with it. "Scientific management", said Dr. Person,

has not yet been applied to the management of industry collectively. But the present state of world industrial disorganization challenges society to attempt a better management.... The relations of competitive units of business enterprise in individualistic industry have not yet been brought under control and constitute a disturbing force which causes periodic dislocations of the production-distribution mechanism, stoppage of industrial processes, unemployment and distress. These dislocations become more destructive of human welfare as the production-distribution mechanism becomes more efficient through increasing specialization and consequently more complicated functional relations. The total of industrial processes - competitive business enterprise as well as technical production and distribution - must be brought under control if disaster is to be averted.

Therefore each major industry, each total national industry, and world economic relations must be brought to a degree of stabilization comparable to that which scientific management has made possible for individual enterprises. The technique of collective stabilization

must be constructed out of that technique which private industry has already developed and proved.

But part of this technique is the principle of control, which Dr. Person's chart outlining the development of the science of management defines as "effected by co-operative observance of the "laws" inherent in the situation, discovered by research and made practical by formulation in terms of standards." It means, said Dr. Person,

exactly the opposite to what it means under the ordinary form of management. In the latter instance it means "authority".

In scientific management, to accomplish a given purpose the laws of the situation specified in the standards must be commonly observed: i.e., each co-operator must perform his function in the manner, at the time, to the degree and in the relationship prescribed by the research-discovered best system of joint effort to accomplish the common purpose. "Responsibility" replaces "authority". Executives as well as workers are subject to the laws of their responsibility.

And for those who say that no men and no group of men are wise enough to plan economic life on a world scale, Dr. Person might have added that executives under scientific management derive their basis for judgment not from intuitive wisdom, but from collective research in which specialists in different branches of science, physical and social, bring their findings to bear upon a common problem.

But why then has scientific management been limited to a homogeneously owned enterprise? Why can it not bring competitive units into relationship to each other in a situation whose "laws" are subject to research? Why has it not established in the United States just such a functional economic system as Dr. Neurath envisaged? Dr. Person said of the scientific management movement of today:

So fundamental are both its principles and technique, that, although they had their origin and primary development in a highly individualistic and capitalistic society, they may serve equally well any other conceivable form of social organization.

Here, by implication, is brought into play a different use of

the word control, namely, the will to use, or not to use, the technique which the science of management has developed. Dr. Person raised the question thus:

> Can society adapt this technique to the management of its industry on a still larger scale - collectively - at the same time preserving the values of individual initiative and self-expression as they have been heretofore preserved in the onward march of scientific management?

Looking at this exposition of scientific management in the United States from the European point of view, Mr. Hugo von Haan, of the International Management Institute, Geneva, in his report printed in advance of the Congress, on "European Aspects of the Rationalization Movement - Its Significance for Social Economic Planning", found in the principle of co-operation as the basis for control, as formulated by Dr. Person, the kernel of a social economic plan. He doubted, however, whether it had as yet been recognized in its precise and creative meaning or had come to life in European industry. Indeed, recognition of it in the United States, according to American observers, was limited to a small number of enterprises. Yet here, in a new concept of leadership, might be "the bridge from individualism to free collectivism".

Discussing it at the Congress, Mr. von Haan expressed the conviction that what is required is not merely a new expression, such as social economic planning, or even the new idea, the new method or the new order which the phrase signifies, but, first of all, a new mentality, a new spirit, which will create new forms.

Frederick W. Taylor, himself, had emphasized this primary need for a new mental attitude, which he regarded as the essence of scientific management. Out of failure to understand this central idea of the doctrine of scientific management, so masterfully elucidated by Dr. Person, out of mistaken ideas and their misuse, has come the pseudo and mistaken rationalization which must be disowned today.

The old idea which was reflected in economic

theory, was that individual self-interest gives rise automatically to the best for the community. The new teaching is that the individual seeks the best for the community, and from this arises the best for the individual. Acceptance of the new is the triumph of reason over instinct, not only in philosophy but in economics.

The old idea led to conflict for self-preservation, analogous to the conflicts of nature, with selection of the stronger, even at the cost of another's life. The new spirit would lead to order and harmony, as in a symphony orchestra. In an economic symphony the score is the plan, the conductor's baton is the control, the playing together is the co-operation.

To apply these principles on a world scale would require world co-operation, world economic statistics and world-wide research. From these statistical pictures would grow the standards for optimum organization for utilization of raw materials, for distribution of goods, for standards of living and rationalization of consumption. For control in world economy, as in the individual enterprise, the basis would be created in free world economic co-operation, made possible by a new mental attitude, in which there is no longer room for exclusive self-sufficiency. The motive, enlarged to make the good of the whole the aim of the individual, is primary. The possibility of world planning depends upon this change in motive.

Interest in budgetary control in individual enterprises had been recognized by Mr. von Haan in his paper as a factor in stimulating understanding of economic planning. One of the leaders in this work of making budgets, Dr. Heinz Ludwig, Germany, opened the discussion of these two papers. For his country, he said, the problem under discussion was acutely real. The last weeks had compelled Germany to face the question of whether the present economic system would

continue, perhaps with modifications, or give place to another form. He could not follow Dr. Person's analysis when he went beyond the individual establishment and undertook to apply Taylor's principles to world economy. For Dr. Ludwig their application was limited to the force and authority of the single enterprise and could not go beyond the area of its control. To say, as did Mr. von Haan, that the idea of budgeting could be worked out nationally and internationally, was too optimistic. "We must first have the will for it." In business today, it is "not ethics and spirit which rule, but interests and cynicism." As an industrialist, he declared:

> He who knows industry, cannot rely upon the voluntary ethical cooperation of general directors as a means of development. History shows us that thorough-going changes in the economic system have come about only in two ways: under the pressure of necessity or through force.

Equally discouraging was the industrialist from France who followed in discussion, Dr. Edmond Landauer, General Secretary of the International Scientific Management Committee. Scientific management has brought immense progress in the organization of the workplace, the shop and the enterprise. And now in Nietzsche's words, "We see approaching, hesitant, terrible, inevitable as fate, the question: How can the world as a whole be administered?" Dr. Landauer wished to see the director capable of administering the economic life of a nation or of the world. Moreover, what would be the basis of control, which would concentrate planning in a single hand, the State? Would one choose the theory which respects private property, socialism; or one which suppresses private property, communism? In practice, socialistic governments have not escaped the present crisis. Of communism, he believed that the exact facts are lacking. Moreover, behind all economic questions is human nature, and especially the instinct of self-preservation, which shows itself in self-interest. Where would be the incentive in an international organization? Have we the right to say that this crisis could have been

avoided, and that it is not useful? We are controlled by natural economic law. Is not the wish to abolish economic crises a little like a wish to abolish death? "Are not economic crises", he asked, "an inevitable phenomenon, useful for the development of humanity?"

It is true, however, that we can try to eliminate disease and to prolong life; and many things may be done for society without seeking to establish economic planning. Only p u b l i c o p i n i o n can change anything, economic or social. How awaken it? Congresses like this are one means; but in the beginning, statistics are needed. "We do not know where we are going", concluded Dr. Landauer.

It is necessary that we make this request of agencies which can do it, such as governments, the League of Nations, that they give us the statistics, necessary, indispensable.

Drawing an analogy with the metereological service, which functions internationally for the entire world, to guide ships at sea, he suggested a similar service for industrial and commercial life, perhaps through an organization like the International Chamber of Commerce, which could call attention to such a danger as overproduction. "I believe", he said,

that in the day when public opinion is awakened, when precise information is furnished to industrialists and business men, which will no longer permit the making of these bitter errors, we can abandon to the tribunal of public opinion all those who do not wish to submit voluntarily to regulation. Thus we can hope that one day we can apply to the organization of the nation and of the entire world the principles of Taylor, which I regard as absolutely universal.....

Opposed to the views of Dr. Ludwig and Dr. Landauer, were the convictions of Mr. H e n r i P a u w e l s, General Secretary of the Federation of Christian Trade Unions of Belgium. "We are moving toward constantly greater intervention of the State in economic life", he said. This is inevitable as we discover the necessity for reconciling individual interest with the general welfare.. We speak of ationalirzation, but what is it if it is not the oganization of the total economic life, and not merely of one enterprise or even of one industry?

The fact is that rationalization ought also to be applied to the redistribution of wealth, without which it will achieve only an imperfect plan.

The laws of economics and the laws of the stars are not alike, for

economic acts are directed by the spirit, and it is for the human mind to conceive of other methods than those which we have followed. That done, the rest will follow.

The whole idea of "social engineering" as voiced by Dr. Neurath, and the thought of Dr. Person and Mr. von Haan that the principles of scientific management were applicable to all the phases of national economy, were challenged by Professor Dr. Folkert Wilken, of the University of Freiburg, Germany. He held that to couple technique or engineering with the word "social" was to eliminate the essence of the social, which is not mechanical but living and free. He regarded the "Taylor System" as limited to the realm of production, which is technical, but held that, distribution of wealth is not a technical problem of the workshop, but requires definite convictions, which cannot come out of technique. The "Taylor System", in his view, arises from a mechanical idea, diametrically, opposed to freedom.

Tracing evidence of lack of freedom in the present economic situation, Professor Dr. Goetz Briefs, Director of the Institute for Social Economy, Berlin, expressed the belief that absolute free competition will not return, but that "a new form of economic system evidently has developed, which is neither capitalistic nor socialistic." He regarded "the idea of a rational plan in the economic life" as "certainly a vital, fruitful idea." One may not exaggerate it, however.

In particular, one may not believe that this planning can come from above and be world-wide. A part of the economic life must always remain limited to a territory and a nation. A planned economy on a world-wide basis can first cover those areas of economic life which are already a common concern between the nations. This planned economy has particularly to avoid regulating too much from above the free-willed, spontaneous powers of individual and national economic life.

Three engineers in management, Mr. Wallace Clark, United States, Dr. Stan. Spacek, Czechoslovakia, and Dr. H. Pruppacher, Switzerland, all of whom were familiar with scientific management both in the United States and in Europe, expressed substantial agreement with the statements of Dr. Person and Mr. von Haan.

Mr. Clark held that differences between countries and between industries are non-essential and that the principles of scientific management are universal. Out of his experience as a consulting engineer in European and American factories he concluded that

> because scientific management has given us the foundation, we can now talk about the planning of industry and agriculture for the people as a whole.

He urged, however, that planning should not be too strongly centralized. There must be general agreement as to aims.

> A central headquarters can outline plans on broad lines and see that they conform to the agreed-upon aims.... The planning in detail and the execution must, of course, be done close to the facts.

Planning must use "the knowledge and experience of those who have been operating industry." It is important "to secure the creative ideas and the energetic co-operation of everyone, all down the line."

Dr. Spacek called attention to the broadening of the scope of scientific management from its technical beginnings to the human aspect, which Taylor had emphasized, defining it as "a process of co-operative education in learning how to achieve ever greater productivity and ultimately greater leisure and culture." Stability of production could be achieved, he thought, only "through better and more harmonious distribution of wealth."

Reverting to the question of whether change can come only through force, Dr. Pruppacher underscored scientific management's reliance upon "the law of the situation", believing that knowledge will increasingly displace the compulsion of outward force. He advocated a

national or international center with the responsibility of studying unemployment and how the standard of living can be raised.

The Problem of Economic Planning.

Turning from what he characterized as the concrete, technical approach of scientific management to planning, and from Dr. Neurath's "general geographical" or "naturalistic" approach, Dr. Lewis L. Lorwin, of the Institute of Economics of the Brookings Institution, Washington, chose to "take the world as it is today,.... a world divided into political states, complicated by economic and social relationships. He described the situation thus:

> In addition to a major business depression and to a post-war liquidation, we are experiencing a world-wide process of social change from the unlimited economic individualism and political liberalism of the nineteenth century to new and as yet not fully perceived economic and political forms of the twentieth century.

In this situation the idea of planning is not accidental, but "the logical outcome of economic developments." These have laid the foundations for "new ways of doing things, based on collective co-operation and social control." But though it has had forerunners, the idea of planning appears today in a new form. Dr. Lorwin thus defined its purpose:

> What is essential to economic planning, as I see it, is its twofold promise to maintain a balance within each country between the growth of productive powers and the consumptive needs of the people, so as to avoid violent ups and downs in economic life; and, secondly, to provide a basis for co-operative international action which would make possible a peaceful exploitation of the world's resources in the common interest of all groups and nations.

To fulfil this purpose, "some unifying center" is needed,

> which can consciously shape the purposes of economic life and which can decide upon the best use of the separate plants and industries in the interest of the entire system.

Dr. Lorwin asserted

> the possibility of unified direction without a dictatorship and without abolishing completely the rights and institutions of private property. We can visualize a system of boards and agencies, partly governmental and

partly voluntary, which would exercise planful control by setting up technical and social standards for all industries, by supervising the price process, and by determining the conditions under which credits would be granted to existing and new industrial enterprises. Such planful control would undoubtedly have to limit the powers of individual and corporate enterprises and subject the making of profits to social ends, but such control would not eliminate entirely individual and group initiative and would not call for an immediate collectivization of industry.

This was Dr. Lorwin's description of what he called "the social progressive type of planned economy." As thus presented, it was national in scope. He regarded the present idea of national self-sufficiency as harmonizing to some extent with trends of economic development away from "international division of labor based on the distinction between industrial and non-industrial countries" and "toward a new division of labor based on the needs and capacities of regional and home markets."

Nevertheless this trend toward national self-sufficiency should not be over-emphasized.

No matter how national economies may be reorganized and redirected in the near future, the system of world economy which has grown up in the last hundred years or so will continue to grow.

The case for world planning, Dr. Lorwin put more strongly by saying:

For most countries any attempt to set up a balanced national economy would be futile unless the necessary international financial and commercial readjustments are made first.

"Definite planning on a world scale" would be required for putting into effect such proposals as the abolition or lowering of tariffs; co-operation between banks to stabilize currencies and to facilitate the flow of credits; and action to restore and stabilize the international price level.

A Five-Year World Plan was put forward by Dr. Lorwin, based upon five propositions, which may be summarized thus: (1) that the economic unity of the world calls for a new sense of world solidarity, based upon equal opportunity for all

nations; (2) that as national political sovereignty must be and is being modified to allow for international action through the League of Nations, so must national economic policy be shaped and directed with a view to its effects on world economy; (3) that the enormous destruction of the World War cannot be borne by one country alone without endangering peace, and should therefore be borne by all; (4) that debtor-creditor relations call for strong measures, both immediate and long-range; (5) that further economic advance must be based on hard work, collective efficiency, maintenance of standards of living in advanced countries, and leveling up of living standards, with increase in mass purchasing power, in less developed regions.

These propositions were embodied by Dr. Lorwin in a World Prosperity Plan dealing with war debts and reparations, international loans and tariffs and "a series of international agreements for the division and control of the world market by producers of raw commodities and of manufactured goods," aud suggesting that

> to help in working out these large plans and to give them co-ordination, a World Planning Board be established either as a part of the machinery of the League of Nations or as an independent body of experts to study world developments and opportunities for the best application of credit resources in the interest of general world expansion. Such a board might work in conjunction with a representative body from the Bank for International Settlements.

Meanwhile, pending action like this which must be official, Dr. Lorwin urged that "those who can now rise to a world point of view hold together and pave the way for necessary action." He suggested that the Congress should set up a "World Research Council to "stimulate thinking and imaginative action everywhere in the interest of a planful and rational organization of world life."

This exposition of planning was discussed in its national applications by speakers for China, France, Great Britain and Ger-

many. Drawing attention to the report on China (published in the Congress volume on International Unemployment), prepared for the Congress by Professor L. K. Tao and his associate, Mr. S. H. Lin of the Institute of Social Research, Peiping, Professor J. B. Tayler, Yenching University, Peiping, interpreted the Chinese attitude toward international economic relations. More than capital or machinery, they would ask from Western nations

> social engineers to enable them to apply our Western technique, our scientific management, in ways that will fit our more productive methods into their social life.... with the least disturbance to their social institutions.

The Chinese, as Professor Tao and Mr. Lin pointed out, fear explication, and Professor Tayler expressed the opinion that

> the aspect of international economic life which has the most importance for them is neither that of capital nor of tariff, but of responsibility for natural resources and their development, particularly as, in China, so many of the resources in iron and (to some extent) in coal have passed into the ownership of other nationals.

China starts, as does the Congress, with the conception of "the people's livelihood," one of the three principles put forward by the founder of the Republic, Dr. Sun Yat-sen.

> Dr. Sun was profoundly impressed with what he considered to be the fact that with the increase of productivity in the Western World there had not been, for the common people, a corresponding increase in the standard of living. He was very much concerned to insure that in China the introduction of more productive methods should have as its object the raising of standards for the people generally.

The problem of planning in China is to bring to bear upon the small scattered units of an industry, such as pottery, the technique of science, to teach modern methods and design, to provide credit and arrangements for marketing. Professor Tayler raised the question of whether co-operation, as developed in European agriculture, linked with science and technique, might not provide in Chinese industries the advantages of concentration without the large-scale productive unit. This he believed would be an application of the principle of scientific

management. It would constitute an experiment in social economic planning. He regarded experiment of this kind as an essential task if social progress is to be brought about not by methods of dictatorship, but "on the basis of accepted purposes and ends." It is possible to increase production without raising the standards of living of the poorer people. If the social purpose is to be carried out, studies, including experimentation, are needed "of the different factors involved in applying improved methods of productivity."

"Planning as an idea consciously animating the directive will... simply does not exist," said Mr. Gerald Barry, Editor of the Week-end Review, London, discussing Dr. Lorwin's paper from the point of view of Great Britain. Individuals have talked of it and written about it, but there is no sanction for it, nor psychological understanding, of it among the people. Reviewing national activities consecutively, Mr. Barry outlined such steps toward planning as: the setting up in 1930, by the Bank of England, of the Securities Management Trust "to aid in controlling the financing of industry" and other financial measures; some steps toward rationalization of certain industries; the National Mark System in agriculture to guarantee to the consumer grading and quality; the co-operative societies, some successful and some not; the Coal Mines Reorganization Commission to rationalize the coal industry; and the Central Electricity Board, a public utility body, described as "probably the most complete and efficient example of planning yet in existence in Great Britain." Planning and control of railways and roads is under way in the proposal for a National Transport Board.

The nearest approach to recognition of the idea of centralized planning was the setting up of the Economic Advisory Council by the Government of the Day, in 1929. It was significantly spoken of as "the Economic General Staff," thus admitting the

existence of a national emergency like war, and the need for planning to meet it.

Behind these scattered instances, however, is

> a very considerable and growing body of intelligent and expert thought, at work upon investigating the various theories of economic planning and the problems connected with their practical application both nationally and internationally.

These efforts may lead to "an effectively planned economy for Great Britain, as her contribution to a planned economy for the world."

Speaking for France, and taking at once the international point of view, Mr. Bertrand de Jouvenel, Author and correspondent for "La Republique", Paris, suggested that France, Germany and the United States, if they could all come to agreement with Russia, would have a chance to organize world planning. Credit is the life breath of industry, and France and the United States, with their huge gold holdings, are in a position to take the responsibility for a world plan. Negotiations for economic agreements between two or three countries may be good as treaties, but bad from a world point of view, because they are too limited. He called attention to the needs of Africa and Latin America for industrial equipment, as important areas to be included in a world plan.

That Germany today could not apply directly Dr. Lorwin's idea of planning, namely, to bring production and distribution into harmony, and to develop this on a world scale, was explained by Dr. F. Meyer zu Schwabedissen, industrialist and member of the organizing committee of the Congress, to whose vision and unflagging collaboration was due in large measure the selection and development of the theme of the program. Referring to Dr. Wilbrandt's analysis, already summarized, of the necessity for Germany to pay reparations through excess of exports over imports, - involving decrease in imports, the slowing down of the production which depends

upon materials from abroad, and the lowering of the German standard of living, - Dr. Meyer zu Schwabedissen declared that the only way out was a national economic plan. The requirement of modern industry that the "stream of goods" and the "stream of money" should parallel and equal each other, and the disturbance of this relationship by international policies of government and finance, forces Germany into national economic planning.

"The old methods of payment of laissez-faire were inflation, loans from abroad, and mass unemployment." The first can not be repeated on grounds of policy and psychology. The second, if it were feasible, would be dangerous. Germany now is in the midst of the third method, mass unemployment. If the principle of the Dawes Plan is to be maintained, that reparations are not to be paid at the cost of the standard of living of the German people, then a planned decrease in imports is essential. which is possible only through a comprehensive plan for agriculture, which would enable Germany to produce for her own needs. Agricultural products are now imported to the extent of two to three billion marks. Thus,

> Germany is compelled through the necessities of her national economic situation to go the way of a national planned economy, which betokens a certain withdrawal from world economic life. The way of national self-help is not easy for Germany and not easy for the world.... A national economic plan, however, can never be more than a mere measure of necessity.... to be justified only if it is to be a first step toward the coming planning of world economy.

Germany possesses already certain agencies for planning, such as a National Economic Council, the National Coal Council and the National Potash Council. The problem of control has been complicated by the general attitude against state interference in business, by the conflicting interests between industries, and by the opposition between community interests and private interests. Control will become possible only when a leading idea for German planning can be firmly established. This leading idea emerges from the concrete economic situation,

as already sketched by Dr. Meyer zu Schwabedissen.

In the discussion which followed, Mr. H. Dubreuil, of the International Labour Office, Geneva, (formerly Secretary of the General Federation of Trade Unions, Paris), pleaded for a new attitude toward the State, and for the introduction of a new concept, that of responsibility, into its affairs. There need be no danger to liberty in scientific management, nor in economic organization and unification through the State. On the contrary, this idea brings to the world for the first time "the means of systematically organizing the progress of liberty" and "opens the way completely for the initiative of the individual and for the more complete expression of all his faculties."

While agreeing with other speakers that economic individualism does not exist, if it ever did, and that social factors play an increasing role in economic life, Dr. Lazard could not accept Dr. Lorwin's faith in the possibility of predetermining output and directing productive forces collectively. He thought it necessary to avoid self-deception through unrealizable hopes. Economic life is influenced by many different social elements, exceedingly delicate to regulate. Moreover, "for each body politic the question is different," varying with the dominant characteristics of the nations, their customs and their political circumstances. Caution is the more necessary in that a whole national scheme of organization would have to inject itself into the international currents of commerce, and would require "a political world entirely different from the actual world."

Both Mr. L. Urwick, Director of the International Management Institute, Geneva, and Mr. F. Rajniss, Hungary, urged the importance of clear terminology in discussion of economic planning. Mr. Urwick differed with Dr .Lorwin's definition of rationalization as "at best but one element in a system of economic planning." Referring to the World Economic Conference of 1927, Mr. Urwick defined rationalization as "methods

designed to eliminate waste whether in effort or material," and suggested that this definition "sets a new criterion in economic thinking and doing." Rationalization, he said,

> postulates the application of scientific thought and standards to every problem which arises in the organization and conduct of production, distribution, and consumption.

He urged the necessity for research:

> If we are to plan economic life scientifically we must start with research. .... The only way out from our present confusion lies in national and international co-ordination of objective knowledge.

Experience in National Economic Planning.* On all the primary questions formulated in the preceding discussion, the Union of Soviet Socialist Republics has given answers. A new economic system has been adopted, based upon the socialization of industry. Control is collective, derived from common ownership of the means of production. Planning is the instrument of administration of the collectively owned industry. The scope of their planning, so far, is national, because that is the limit of the collective ownership of which social economic planning, as conceived in the Soviet Union, is the administrative organ.

It is unnecessary to review at length here the substantial and detailed reports of the Soviet delegation. To those interested in scientific management they offer the first "case" of its application to the total production of an entire nation. They have set up an extraordinarily interesting form of administration, functional by branches of economic life, and regional by geographical units. In both divisions, the central body plans the broad lines, and the details of both planning and operation are decentralized all the way down to the unit workshop and the small community. Statistical controls, derived from past performance, current progress and future objectives, constitute

* It had been expected that Italy's experience in "corporate planning" of the nation's industries would be presented, also, at this session, but at the last moment the expected speaker was unable to come.

the measurements. The fundamental method is "balancing", which aims ultimately, of course, at the correspondence between consumption and production, but involves many prior steps in integrating the different branches of production, in supplying each with its needs in raw materials and equipment, in planning for each the rate of output necessary to keep pace with related producers, and through it all weaving the network of finance as an instrument of co-ordination. The single financial plan thus becomes a picture of the total economic life, and through it is achieved the redistribution of wealth whereby the final balance of standards of living and productive capacity is achieved.

Into this balance enters not only a technique but a policy which is expressed in what the Russians call a "leading aim." The three general aims, as described by the head of the Soviet Delegation, Mr. V. Obolensky-Ossinsky, Member of the Institute for Economic Research of the State Planning Commission (Gosplan), are: (1) industrialization; (2) socialization of the economic process; (3) "improving the living conditions of the working masses, who are the collective masters of the national economy."

Within these comprehensive, long-time aims, is the leading aim for each period, for the next five years, for one year, or for less. Thus the present Five-Year Plan is but one stage in a continuing process. It focuses upon those basic industries which are essential to a self-contained industrialization, because this is seen as the next step toward the general objectives. Decision regarding the leading aim is a matter of policy which is decided by the government and the Communist Party. The planning institutions carry out the policy but do not make it.

The progress of planning in agriculture, as described by Mr. A. Gayster, Vice-President of the Agricultural Academy of the U. S. S. R. and Member of the State Planning Commission, brought vividly to the fore the effect of a planned

economy in making possible scientific agricultural production. The result, already, is a rate of increase in acreage and in crops, exceeding that of any other country in the same period. For manufacturing, an equally vivid account of the tempo of growth appears in the report on "Planned Economy in Operation" by Mr. S. L. Ronin, Member of the Institute for Economic Research and of the State Planning Commission.

The same underlying theme of releasing energies and powers, ran through the report on labor in Russia's planned economy by Mr. I. A. Kraval, Director of the Labor Research Institute and Assistant in the Commission of Labor. Collective ownership and control by the workers constitute, in his view, a fundamental transformation. "The workers are conscious.... that they are not only producers, but also, organizers of production." The working class, itself, is solving "the problem of increasing the national income... by placing our entire economic system on a solid basis of modern technique." They have adopted the program of rationalization, and they are able to solve the problem of transferring labor from one branch of industry to another, shortening the working day and using surplus output to expand new production and to increase consuming power, because the control is collective and in the hands of labor itself. Mr. Kraval's report, combined with that of Dr. Suzan M. Kingsbury and Dr. Mildred Fairchild, of Bryn Mawr College (U. S. A.), (published in the volume "International Unemployment"), gives a picture which shows the Soviet Union to be free today of the unemployment which besets other countries. Moreover, in other countries wages have lagged behind productivity. In Russia, wages have increased somewhat more rapidly than productivity.

Obviously the ultimate aims are not yet achieved. Russia's standards of living are still far below the level toward which planning is directed. Strenuous efforts toward immediate industrialization, which for the moment gives less attention to

consumers' goods, are animated by the belief that this is the surest path toward ultimately establishing living conditions on the highest level which industrialization can achieve. They fear no general overproduction, for they believe that as consuming power is set free, and productive forces are restricted only by economic planning to satisfy unrestricted consumption, planning will keep the balance and quickly remedy a surplus in any one branch.

Speaking informally in explanation of the printed report, Mr. Ossinsky gave this statement of communist aims: *

> The ideal we aim at, i.e., the future so-called communistic state of society, is based, first, on an absence of State as institution and an absence of coercion; second, on an absence of reglementation and equalization for anybody. This is the formula of the development of socialist communism in Russia. It will be based on the full freedom of each member, on the basis of highly developed productive forces, and of men trained socially, having developed their social ideals and psychology to such a high level that work will not be a necessity but the primary need of life.

As to the relation of Russian planning to world planning, Mr. Ossinsky and Mr. Alexander Cohn, Director of the Institute for Foreign Trade, explained at various points in the discussion the attitude of the Soviet Union toward international commerce. A socialist state has not such need for selling abroad as has a capitalist country, and can be more nearly self-sufficient. Russia is at the stage of development where it is necessary to buy certain goods or materials not yet produced there, such as certain machines. Therefore, the leading aim in planning exports is merely to cover the necessary imports. As to the problem of foreign loans for internal developments, Russia has achieved in the past year a remarkable record, having financed its enormous developments in 1930 to 1931 entirely from its internal resources, chiefly from the earnings of industry. Thus the Soviet Union is actually planning nationally within its own area, seeking to establish a self-sufficient, industrialized society on the basis of communism.

* Mr. Ossinsky has not corrected this stenographic record.

ANALYSIS AND REVIEW OF THE CONGRESS

In a long evening of discussion, followed on the last day of the Congress by a luncheon conference, informally organized outside the program, questions were asked and answered and varying opinions expressed. The questions related to such important subjects as the basis for fixing prices in the Soviet Union; what the rouble actually measures, and whether any basis of comparison can be found between Russian statistics, measured in money, and the monetary measurements of countries with a different system: whether the rapid development of heavy industry has been a wise policy, economically and socially; whether the problem of overproduction will not recur after the economy is industrialized; what has been learned from mistakes and difficulties as contrasted with successes in the U. S. S. R.; and finally, what the Western world, concerned with planning its economic life under capitalism, can learn from socialistic planning in Russia. On several of these subjects the reports of the Soviet delegation contained answers. The discussion as a whole seemed to show the great need and value of more opportunities, such as the Congress afforded, for international conference and comparison.

Reference can be made here to but two of the contributions to the symposium of question and opinion. They were contrasting views of two members of the Congress from German universities. Professor W i l k e n, whose opinion on the technique of scientific management has been mentioned, found in Russian economy an enlarged application of the "Taylor System," aiming to "regulate the whole life of the individual, to turn the whole world into a worskhop." Russian representatives had referred to "the collective masters" of economic life, which to Professor Wilken was a concept not in accord with Western ideas of freedom, with no masters.

> The problem which is placed before us is, that that which will be done in Russia from social compulsion must be brought to completion in capitalistic countries out of individual freedom.

In contrast, Dr. F r i t z P o l l o c k, of the University of Frank-

fort, pointed out that what Professor Wilken had said of the Soviet system is practically what Marx said of capitalism, that the economic system is all and the individual nothing. It is today against this condition that the struggle of socialist workers is directed. The workman in Russia has the conviction that, however great may be the hardships of the present, "everything that happens today is in the interest of a better future for my class." In contrast is the dark hopelessness of workers in other lands, as in Germany, who in the midst of hardship foresee a worse, and ever worse, future. So strongly did Professor Pollock see more than economics involved, that he thus defined the issue:

> The capitalistic system and the Soviet system stand in a difficult struggle, not only for the economic system, but for the soul of the individual. If for those who live and work in the capitalistic system, it is not possible to create the same joyous hope, the same faith, the same affirmation of the social order, as appears to be the case in increasing measure for the workers and peasants of the Soviet Union, then will the outcome of this struggle for the soul of man not be doubtful.

Thus inevitably the discussion went beyond the technique of planning in Russia, and included the social economic system which necessarily determines the form and method of planning. From the standpoint of the Russians it is not the Five-Year Plan, but the socialization of their industries as the foundation for communism, which is primary. Mr. Ossinsky closed the discussion by saying that it is

> not an experiment any more, but is "growing from the furrow" very rapidly and developing into a new system, to which we have the firm conviction all the world will some time or other go over.... We are building up a new organism which is growing as an historical necessity.

Thus, in the first two days of the Congress, the elements in the present general economic crisis were analyzed with particular reference to their international aspects; and the whole idea of planning as an instrument of national control was canvassed in its foundations in scientific management and its present status in national thought and experience. Political factors in international economic relations forced themselves,

by the logic of the situation, into the picture. Comparison of the idea of planning in nations retaining private property as their economic base and experience in a socialist country evoked the challenging question of what changes are ahead in economic systems. It was logical then to turn to an analysis of the actual present forms of international action in industry and finance, and to ask how they function and how they may be used, or transformed. Only the main conclusions of addresses and discussion can be sketched here. They were largely negative on the problem which the Congress had set as the objective of social economic planning, namely, the adjustment of productive capacity and standards of living.

International Economic Planning.

International industries and finance have been busy with production, but have concerned themselves quite inadequately with consumption, and least of all with the broader question of standards of living.

Tracing the tendency toward expansion beyond national boundaries in commercial and industrial enterprises, Professor Melchior Palyi, economist of the Deutsche Bank- und Disconto-Gesellschaft, Berlin, concluded that the movement, on the whole, signifies not an organization of world economy but an extension of the competitive struggle. International cartels have had greatest significance in the markets for raw materials. The methods of these cartels have been varied, including regulation of prices, of markets, of volume of production, of patents, of sales organizations and of sales quotas. In no instance, however, has this form of organization succeeded in stabilizing prices and production. A notable failure is the copper industry. Equally unsuccessful have been the experiments in valorization, namely, the organizations to regulate world markets for wheat, coffee, wool, rubber and other commodities. Experience in all these directions, in Dr. Palyi's view, has nothing to show in the way of better service to

the consumer, who, on the contrary, has had to pay higher monopoly prices; nor in the direction of better co-ordination of the productive capacities of the world.

World plans by industries, as distinct from international plans through industrial agreements in which the national basis is the unit, seemed to Professor Ernest M. Patterson, of the University of Pennsylvania and President of the American Academy of Political Science, Philadelphia, to be forced upon us by the world-wide growth of industry.

The fundamental importance of the power industry was repeatedly emphasized at the Congress. At this session Mr. Hugh Quigley, Chief Statistical Officer of the Central Electricity Board, England, described the British system of co-ordination under government auspices, combined with private ownership and operation, as "one of the most notable examples of economic planning applied to industry," which "has stimulated thought and even influenced practice in the direction of planned economy." Mr. Eugen Hess, of the Amsterdam Bank, stressed the possibilities ahead for raising standards of living through certain projects already formulated for a unified power system for all of Europe and for the widening of markets for electrical equipment for homes and small establishments.

The most optimistic statement as to the capacity of capitalism and private control of industry to raise standards of living was that of Mr. Edward A. Filene, President Wm. Filene's Sons Company, Boston, U. S. A. and President Twentieth Century Fund Inc. He pictured a new capitalism, in which mass production, seeking the lowest unit cost of production, would be paralleled by mass distribution, in which purchasing power would be enlarged by a deliberate policy of high wages and low prices, with wages increasing and prices decreasing as the growing efficiency of mass production decreased costs. The whole process would increase total profits. Because the result would serve self-interest, this development may be regarded as a wholly practical possibility awaiting wide appli-

cation to the world's problems as soon as right thinking on the part of business men and financiers shall displace traditional thinking and facts rule instead of guesses and opinions. The cartel and the merger, which restrict production and keep up prices, are the exact opposite of this philosophy of a new capitalism in which the total profits of the entrepreneur increase through increasing production, lowering prices, raising wages and thus widening markets by higher standards of living.

Waste in distribution, as a cause of high prices, was stressed by Mr. P. J. S. Serrarens, Secretary of the International Federation of Christian Trade Unions, and Senator, Holland. Mr. Serrarens called attention to the great importance of scientific distribution, and the necessity, therefore, of better statistics as proposed at the Washington meeting of the International Chamber of Commerec. He thought that Europe should not copy too closely American methods, but should develop its own, and that, instead of the chain stores of the United States, European nations might be expected to adopt a co-operative system of retail distribution.

Economic planning and any generalized mass distribution in Europe are impossible unless the nations come to a better political understanding, recognize the hampering effects of tariffs and begin to co-operate.

But world economic planning will serve its purpose only if "the dominating idea" be "the service of mankind." Therefore,

> not those products should come first in mass production and distribution which give the largest benefits to the leaders of business, but those which supply in the best way the needs of mankind.

Equally important is labor's status in relation to the direction of industry. "We are of opinion," he concluded,

> not only that the States will have to control this work because their task is to safeguard the common welfare, but we are equally of opinion that no economic planning will reach the necessary results unless labor takes a large part in its direction. Surely it would not be social economic planning, should not labor, which in civilized nations includes about 70 per cent of the population, be sure that its interests are safeguarded in the new society which we hope to build.

The Co-operative Movement.

That "the consumers' co-operative movement can claim to be one of the earliest attempts at planned economy, in the sense that it has always aimed at the conscious adjustment of supply and demand at a maximum level by means of co-ordinated effort," and that it "looks to the organization of the total world supplies for the equal benefit of all the people of all nations by means of collective international machinery," was stated * by Miss A. Honora Enfield, Secretary of the International Co-operative Women's Guild, London. The basis of this movement is voluntary control and leadership, with the viewpoint shifted from producer to consumer.

> For State price-fixing, or other arbitrary methods of controlling prices, the co-operative plan substitutes the dividend on purchase, which automatically eliminates profit.... Supply is adjusted to demand as the natural result of consumers' control operating in a system in which every enterprise is owned and controlled by its own market and there are no profits, and from which therefore all kinds of speculative trade disappear.

While recognizing that the co-operative movement is still far from realizing its plan, Miss Enfield thought that its significance for the Congress was

> the far-reaching effect of the economic mechanism which the consumers' movement has evolved, of which the most important feature is the dividend on purchase. This dividend on purchase stabilizes the distribution of wealth by eliminating profits, and stabilizes money values by eliminating the profit-making motive. This profit-making motive is not only the disturbing element in economic life; it is an incalculable element, and the most perfect planning cannot succeed if it has to deal with a force that defies calculation.

Planning Agriculture.

Because of the basic importance of agriculture, the organizers of the Congress had hoped that, in addition to the report of the Russian delegation on The Planning and Development of Agriculture in the Soviet Union, a fundamental statement would be prepared on this problem in other countries and on its

* At the special evening session August 26, on continued discussion of "mass distribution."

international aspects. Failing this,* it is possible only to gather up here some references which emerged in the discussion.

Commenting on Mr. Filene's conclusions regarding the feasibility of raising standards of living through raising wages, Dr. Wilbrandt suggested the difficulty of applying this idea in the present bad times, and added:

> A part of the problem finds no solution: that is, the question of the purchasing power of the farmer, and that is the problem of agricultural prices

The farmer himself found a spokesman in the Congress in Mr. M. D. Dijt, of Holland, who summed up the problem and made a suggestion for world co-operation, as follows:

> When we on the farms have a little overproduction, then we must curtail; then we have no other solution for our problem but restriction, and that means for us poverty, ruin. That means that for some years we must work at a loss.... If we should be given credit, we could not use it; we could not make it profitable. We could use it to buy cheap land in the hope that it will later become dearer, but we cannot produce with it.
>
> If it is not possible to stabilize world prices, it will, also, never be possible to stabilize business. As Dr. Palyi has rightly pointed out, all national valorization plans have failed. The prices of staple agricultural products, such as wheat, rye, cotton, etc., can be stabilized only through international co-operation of the capitalist nations, if we must not go over to communism.... The way that we have gone up to now is, for us, no more possible.
>
> I believe that we have still another way, namely, international financing of the staple products of agriculture. I have estimated that in the groups of nations in Europa and America the national debts amount to 250 billion dutch guilders and the surplus in staple products of agriculture to only three billion. Yet the latter cause the crisis, whereby we are ruined and 20 million workers are unemployed. If these surpluses are financed in common and if the nations together should establish an institute to finance the stocks of staple products of agriculture, to carry the losses and to stabilize the prices, so that they will be not too high and not too low, we would thereby have a practical way out.... If we cannot take this way, there is for agriculture no other hope left except communism.

* An invitation to treat this subject was extended to Dr. W. A. Riddell, Canadian Advisory Officer accredited to the League of Nations and a delegate to the World Wheat Conference in Rome, 1931, and to the Conference of Wheat Exporting Countries in London, 1931. Unfortunately at the last moment Dr. Riddell was detained by official business in Geneva.

International Finance.

This discussion of agriculture was part of the session on international finance as an instrument of economic co-operation. Dr. Palyi had discussed the movements of capital, their interrelationships with the gold standard, their effects upon world economy, and the influences, national and international, which play upon them. He sketched the history of past economic crises in their financial aspects and the differences in the present.

In the development of a world economy, he found no other factor so important as these movements of capital. Before the war their direction had been from the advanced industrial nations to the countries needing development. The war profoundly changed the creditor-debtor positions of the nations, and introduced into their relations a many-sided interdependence, complicated by political as well as economic factors.

While the international movements of capital, as explained by Dr. Palyi, have served as instruments for spreading the capitalistic economic order over the earth, they have also served to spread business cycles and depression. They do not function automatically, but are influenced by human decisions; they are agencies of imperialism and of the subjugation of enemy nations; and they are affected by policies, such as tariffs, and by the psychological factors of fear and mutual lack of confidence between nations. These national factors, arising out of political rather than economic influences, were especially underscored in Dr. Lazard's discussion of this paper by Dr. Palyi.

Dr. Palyi found in the disturbance of these movements of capital, through which the gold standard itself is disturbed, "the fundamental fact of the international situation of our day." A remedy could come from the side of finance only by restoring normal capital movements, through removing the

causes of disturbance. In particular, the substitution of short-term credits for long-term loans makes industrial planning difficult and undermines confidence. In conclusion he said:

> It would be a great advantage if planning could be arranged on the basis of the co-operation of loan banks to lead capital movements by normal methods of loan bank policy of the nineteenth century, as one of the most important social planning methods of capitalistic society; and it would be the first step toward international planning.

In discussion, a definite center for co-operation between central banks was proposed by Mr. Christian Stolz, of the Büro für Gegenwartsprobleme, Frankfort, speaking on behalf of a group in Germany. It was the idea of a world bank, with power to issue world banknotes, which would also support central bank issues, and thus solve the problem of the gold supply.

But assuming either a world bank or other co-operative arrangements between central banks to direct the movement of capital, what would be the basis for decisions to extend credit, or in general to manage the world's money? The acid test, "der Prüfstein," as Dr. Neurath called it, would be, as he said, "whether the frictionless functioning of the money and credit apparatus produces a maximum in the standard of living." Certainly the discussion produced out of past experience no ground for confidence that the financial system as at present organized can stabilize prices and prevent the periodic depressions which always undermine living standards.

The League of Nations and International Economic Treaties.

In the field of public finance the League of Nations has scored certain successes in re-establishing currencies in Austria, in Hungary and elsewhere, partly through technical advice, partly through loans from other nations and partly through supervision which has established greater confidence among lenders. An International Agricultural Mortgage Company, which is assisting the peasants of Eastern Europe, is making progress

in organizing its facilities. The League is extending assistance to China in economic reorganization. The Gold delegation may succeed in opening the way toward stabilizing the purchasing power of money. These activities were summarized by Dr. Rudolf Broda, of Antioch College, United States, as indicating that "the League is able to solve non-controversial problems and to concentrate international support for remedying localized maladjustments." On the other hand, it has not been able "to overcome the resistance of national egotism." Conventions against export and import prohibitions and for a "customs truce" have failed of ratification. Efforts toward consolidating European economy have not gone far enough to permit a final judgment.

Dr. Broda thought that the League was handicapped by the necessity for unanimous decision, and the absence of any motive power strong enough to put the interest of humanity above particular national interests. He thought that election of delegates by parliaments through proportional representation might result in the development of international parties. He had faith that a strengthened League could supervise international cartels, organize granting of credits to impoverished countries and, ultimately, if it were all-inclusive, be responsible for adapting world production to world consumption.

Closely connected with the potentialities of the League for international economic planning was the report of Professor Joseph P. Chamberlain, Columbia University, United States, on economic treaties between nations. International trade has a long history, but recent times have witnessed its growth in extent and complexity, with which, however, international governmental forms have not kept pace. The necessity for international agreement has given rise, nevertheless, to the interesting development whereby the nations become the negotiators and the administrators of treaties. Thus "it can truly be said that the national government is acting as a kind of administrative agency for the international society."

Describing typical international conventions dealing with economic matters, Professor Chamberlain listed the telegraph convention of 1865, the Postal Union founded in 1874, the Air Navigation Convention, the Radio Convention, the Railway Conventions and agreements for the regulation of transportation on international rivers. He pointed out the important role played by the expert, who acts on the subject, and not in any national interest, in helping to frame the provisions of a treaty. Moreover, private groups, representing business or labor, have a hearing, and frequently take an active part. All of these developments are paving the way for world planning. International machinery has been constructed as the economic need for it has become clear.

Professor Chamberlain had confined his paper to treaties apart from the League of Nations, and Dr. Lazard, in discussing it, emphasized the great importance of the World Court. He thought it necessary also, in discussing international control of economic relations, not to ignore the customs conventions. But most fundamental of all, in Dr. Lazard's opinion, is the answer to such questions as: Why do tariffs raise almost insurmountable barriers against goods? Why does international division of labor appear to be an unrealizable dream? Why are individuals prevented from moving freely over the surface of the globe? He answered thus:

> It is because in the world as it is actually organized, political considerations are primary to economic considerations; from which comes the following corollary: To extend the benefits of rationalization to the entire world, it is the political physiognomy of the whole world which should first be transformed.

While diplomatic regulations which facilitate economic relations are important, "in the measure in which these conventions respect completely the ideal of political self-sufficiency, it is vain to count upon them to insure the rational adjustment of production and consumption."

Mr. Hans Mars, Consultant on Scientific Management

and Rationalisation of the "Kammer für Arbeiter und Angestellte", Vienna, further emphasized the importance of political circumstances as obstacles to economic agreement. He described the predicament of small countries, such as Austria, unable to achieve a balance of production and consumption. For them the only way would be to specialize in certain products and exchange them for needed imports from other lands. Only a universal economic agreement could bring this to pass, and such an agreement he regarded as impossible under present political conditions and restrictions.

That the League of Nations has neither the power nor the function of planning was declared by Mr. Alexander Cohn, Director of the Institute for Foreign Trade of the U. S. S. R. He analyzed the vagueness of the League's purposes, such as "to secure and maintain... equitable treatment for the commerce of all members of the League," with no clear statement or test of what is "equitable"; its inability to analyze the economic situation except in the misleading terms of the interests of its member countries; the fact that it has never devised any plans to be carried out in a given time, and that plans are in fact impossible in the absence of an economic program of a defined scope; and the lack of power to make any of its recommendations obligatory. These conditions, in Mr. Cohn's view, are all traceable to the fact that "the League of Nations unites the representatives of the capitalistic countries with their different (and sometimes contradictory) interests."

Planning, as the Russians see it, is possible only on a socialistic basis. To advocate the League as a means of planning is actually harmful, in their view. Efforts to bring about a planned economy would be hampered so long as "other countries continued to submit to the capitalistic system." Mr. Cohn believed that analyses which he had made of the League's activities "clearly demonstrate that it is impossible to plan capitalism and that all attempts to plan

the world's resources have to this day been futile."

Discussions "of the planning and regulating functions of the League of Nations" and dreams of "a world plan in capitalistic economy" are "only unsound illusions, Utopian dreams on the part of confused and embarrassed economists in this period of crisis of the whole capitalistic system." While believing that world planning would be advantageous, as making it possible to consider the world's resources as a unit, Mr. Cohn said nevertheless that "the experience of the Soviet Union has shown that it is possible for planning to be carried out on a national basis also."

International Agreement on Labor Standards.

For eleven years the International Labour Organisation, established by the Treaty of Versailles, as part of the League of Nations but with its own separate governing body and secretariat, has been at work on the task set for it by the Treaty, namely, to lift standards of working and living conditions in all countries of the world. Its director, Mr. Albert Thomas, laid before the Congress his views of the present crisis and the relation of the idea of social economic planning to the program of reforms to which the nations represented in the International Labour Organisation have bound themselves.

It is not a socialist program. Growing out of the social movement of the nineteenth century, it is a kind of common plan of universally acceptable measures of justice and humanity, such as the eight-hour day, prohibition of night work for women, elimination of child labor, provisions for social insurances, especially unemployment insurance, and guarantees of the right of labor to organize in trade unions and to bargain collectively. These have been subjects of investigations and of draft conventions, agreed to

in International Labour Conferences, which include members representative of government, labor and employers in each member nation, and proposed for enactment into law in each country. In all these directions a certain measure of progress has been achieved.

But now, said Mr. Thomas, in the world crisis, more serious than preceding depressions, social policy as a whole, the entire program of social reform, is more or less shaken, its principles set aside, and doubt cast upon the possibility of maintaining it. "Natural law" is invoked to show that wages must be "elastic" in relation to prices, and hence even the collective agreement of the labor unions is called into question.

Yet on the other side are evidences of public opinion insisting that if the accepted measures of social justice are thus jeopardized, it is the capitalistic economy as a whole which ought to be renovated. Having gathered up the evidences of this public attitude in his annual report to the 1931 International Labour Conference, Mr. Thomas found a certain unanimity of view, which was turning the world toward an effort at organized economy as a substratum for social reform.

Since that conference, the crisis everywhere has grown more intense. Labor demands of government the protection of its standards established in social legislation through the years, but governments, influenced by hesitation on the part of the public in the face of the action of economic forces, seek a middle ground of caution which is antagonistic to social reform. In the midst of these uncertainties is there a position based on principles of reason and will, which must be taken by such a group as this Congress? Mr. Thomas proposed this:

> The first duty, the first rule of social organization, is to maintain the standards, the conditions of labor and of living which seemed possible of attainment up to the present in civilized nations.

Toward this end, it is necessary to seek to organize economic forces with the aim of maintaining certain social conditions. An illustration is the convention regarding hours of labor in coal mines, put forward by the International Labour Organi-

sation as a means of relating output to markets in an industry which has long suffered from the crisis of underconsumption. The same principle was affirmed in 1927 in the International Economic Conference of the League of Nations, when employers declared rationalization to be in harmony with higher wages and shorter hours, and a social organization of industry in accord with the new advances of technology.

What is lacking at present in the midst of this crisis is "profound faith in the necessity of justice, the inner, vivifying conviction of the necessity of such organization of economic life ... as shall realize the aims of humanity and of justice.

The International Labor Movement.

Paralleling agreement between nations on such standards as are subjects for legislation, is the labor movement of the world. No single organization embodies it. One of its branches is the International Federation of Trade Unions, which is committed to socialism. Its attitude toward social economic planning was described by Mr. Fritz Naphtali, Director of Economic Research for Trade Unions, Member of National Economic Council, Berlin.

The all-important consideration, from the socialist standpoint, is not that an economic plan should be made, but that "its planned objective should be a community economy, not a capitalistic economy which serves the particular interests of separate groups and classes." The socialist labor movement is committed to this fundamental change in the economic system.

A new economic system is to be substituted for the old, not by a single declaration or by one law, but rather by progressive development, "a process of penetration of new forms into the existing economy." The new form is not necessarily mere nationalization or state operation. "Economic reality is much too variegated to bind in a single form the organism of a new economic system."

The state has the great task of bringing in a community organization of the economic order, but it is an instrument, not the substance.

Already the change is in process from private ownership, which is the basis of capitalistic economy, to manifold forms of community ownership. To be sure, there are public works which are very badly and capitalistically administered, but with change from private to public property the chance of a planned and socialized economic system in those operations is enhanced. No world plan can be made until the solid groundwork for planned management has been created in separate nations.

As to the way in which the change is to be brought about, the socialists in the labor movement expect to accomplish it not by an appeal to the reason of the capitalists, but by organization of the working class which must rebel against all poverty and misery involved in the prevailing system. From these groups will come in the future, as in the past, a circle of individuals who, motivated primarily not by economic interests but by ethical impulses, will identify themselves with this aim of newly creating world organization. Associates from outside the labor movement are welcome, provided they clearly accept the purpose of complete reorganization of the present system into a planned, socialized economic order, creating a classless community.

Discussing the two subjects of international agreement on labor legislation and the function of labor in economic planning, Dr. Marius G. Levenbach lecturer on labor laws at the University of Amsterdam, said that the labor movement, including the branch for which Mr. Naphtali had spoken, and the International Federation of Christian Trade Unions, already represented in the program by Mr. Serrarens and Mr. Pauwels, and other labor organizations, "can be and must be a

great force in the realization of more planned economic life." He referred to American examples of union-management co-operation as giving labor a voice in applying the principles of scientific management in the workshop, and declared that it is equally necessary "not to neglect the voice of labor in the wider field of social economic planning."

He held that "in capitalistic economy there is not - as yet - any power for general world social economic planning," though "there are powers that may develop in this direction." Planning is impossible without control over the factors to be planned, and "this means restraining private property, limiting its power, binding its liberty." To a certain degree this control is already established in Western society by the processes of law. Social economic planning will not come by voluntary effort of private owners. "An institutional change must take place," and this brings us face to face with the problem of "historical realization" of the idea of planning in the Western world, through "the available social forces," among which the labor movement has a fundamental place, while the International Labour Organisation aims to establish conditions of labor which are essential elements in standards of living and security - the declared objects of social economic planning.

The problems of social policy, or social legislation, were further emphasized by Dr. Frieda Wunderlich, economist and member of the Prussian Parliament. Classifying economic planning in two main types (1) a centralized planned economy and (2) planning of markets or of trade by maintenance of prices, Dr. Wunderlich preferred the second, but the regulation of prices must be automatic. Price control through customs duties, subventions and cartels, which can lead to a new class conflict between producer and consumer, is to be avoided. A corrective of the distribution system is needed to avoid mistakes due less to lack of planning than to unforeseen technical advances.

To establish security in the necessities of living and elimination of the risk of unforeseen changes, it is of first importance to influence the economic system toward regularization of business and higher wages. Here belong the measures of social legislation, particularly social insurance. There further are the various forms of community provision for the needs of life, such as libraries, schools and provisions for sport and for health activities. Further extension of public agencies for other urgent needs is a problem for investigation, as is also the extent to which property may be taken by taxes without crippling the mechanism of distribution. This would be the problem of the limits of social policy, i.e., governmental activities or legislation on social problems.

After a long and rapid journey from Australia, with opportunity for observations - close together in time - of widely different standards of living in Great Britain, the United States, the Mediterranean countries, India and Persia, Dr. Ethel E. Osborne, of the University of Melbourne, urged that a world group like the Congress "should postulate at least as a minimum standard of living the right to health of all members of the community."

Such a minimum standard involves, first, "the right to be born healthy" and, second, "the right to environment suitable for healthy living and development." In the second, "adequate nutrition" is "of insistent importance." In view of this primary need for food, the existing "oversupplies or surpluses of many of the essential foodstuffs" are a forceful demonstration of "failure to correlate the food supply with the demand." Dr. Osborne added as illustration that "within the British Empire co-ordinated distribution of the primary products of that Empire can scarcely be said to exist."

Other contributions to discussions at this session can best be considered in relation to suggestions for further investigation, which was their major concern.

ANALYSIS AND REVIEW OF THE CONGRESS

Problems for Research.

It was a representative of the labor group who, at the last session of the Congress, voiced the vital and urgent importance of research into the present desperately serious problems of economic depression. Mr. Erich Lübbe, vice-president of the International Industrial Relations Association, who is chairman of the Works Council of the Siemens-Schuckert Company in Berlin (the mammoth corporation of the electrical industry) drew the analogy between economic research and medicine:

Medicine, for centuries, has been able to discover through research the means of avoiding epidemics. Economics is a young science, and must still undertake many studies. Medicine makes investigations of the healthy, the sick, and also of the dead. The present economic situation of the whole world constitutes for the labor group a condition of severe illness, and it is high time for interference. Labor, throughout the world, but particularly in Germany, where the danger is greatest, has no interest in having economic science examine its dead body.

Reference has been made from time to time, in the course of this analysis, to specific proposals for research or to lacks in needed data, which, by implication, suggest topics for investigation. Other proposals have related to agencies for such study. These may be briefly summarized as follows:

I. Needs and methods for improvement in basic data and in their international comparability.

The preliminary studies especially stressed the need for improved and comparable measures of employment and unemployment, wages, prices, wholesale and retail, and standards of living; but all economic data must be improved and made comparable if world research is to become feasible.

II. Quantitative analyses of productive capacity, on the one hand, and standards of living, on the other, for the world as a whole.

This was proposed by Dr. Neurath, who also stressed, as the method of quantitative analysis, measurement in kind, described in German as Naturalrechnung, avoiding the variable and often meaningless measurement in the money economy, such as wage rates, price, and profit, and replacing it with the quantitative description of products and services on the one hand, and, on the other, the actual elements of standards of living, housing, food, clothing, physical well-being, education and recreation.

III. Qualitative and objective analyses of different systems, methods and policies in economic organization, and their results as measured in standards of living in their relation to the actual and possible utilization of productive capacity.

This was proposed by Dr. Neurath as the next step after the quantitative analysis proposed in I, which would draw the broad lines of a world plan, to be followed by study of the technical methods of achieving it.

IV. Studies of social aspects of economic construction and administration.

(1) Dr. W. L. Valk, of the Netherlands Institute of Economics, proposed a study of "the technique of social construction," dealing with such topics of organization as selection of leaders and executives; and methods of avoiding bureaucracy when units of industrial organization are amalgamated and expanded in size of force, production and investment - a problem common to capitalism and communism.

(2) Mr. R. J. Mackay, General Manager, Management Research Groups, Great Britain, suggested the importance of a study of human instincts and emotions as the driving force in social economic systems. He thus explained it: "There is no social economic system of uniform applicability throughout the globe; and no system will work for long if it seeks to derive its impetus, its élan vital, from a certain portion only of the range of human instincts and fails to make due provision for the operation of the remainder. It will succeed pari passu with the degree to which it balances and harmonizes the often conflicting drives of the egocentric and social instincts."

(3) Mr. Mackay also proposed studies of the social results of different types of society - such as highly integrated stability, and rapidly changing instability - in their influence upon economic habits; as, for example, the Frenchman, with a careful budget, as compared with the Chicagoan led into unplanned expenditures of a larger income by "high-pressure salesmanship"; and other subjects of sociological research, which he held to be prerequisite to social economic planning.

(4) The varying applicability of particular systems, such as mass production and mass distribution, to different areas of the world, with special geographical and racial characteristics, was likewise suggested by Mr. Mackay, in its bearing upon planning.

(5) Closely related were suggestions already cited, which were made by Professor Tayler, regarding experiments in the application of scientific management in China, along lines congenial to the social customs, history and attitude of the Chinese.

V. Studies of the technique of human relations in industry.

This was suggested by Dr. J. H. Richardson, Professor of Industrial Relations at the University of Leeds, who pointed out the value of inter-

national contacts for exchange of experience, to develop a technique of industrial relations which could then be adapted to the characteristic conditions of each country. Many of these problems are common to all countries and to different economic systems. Those which are not common are illumined by international comparisons.

VI. Studies of distribution.

Frequent reference was made to the comparative neglect of this area of economic organization. References to it have been noted in discussion by Mr. Serrarens and Mr. Filene. The need for study of costs of distribution in Great Britain was suggested by Mr. Mackay, who also urged the importance of "more exact knowledge of the habits of the consumer of the product, and of the ways in which his behavior tends to change under varying kinds and degrees of economic stress."

VII. Economic studies of production-wages costs and their relation to retail prices.

This was outlined by Mr. Kenneth R. Middleton, Secretary Management Research Groups, Great Britain, who thus defined the problem of balancing production and consumption: "Producers are the main body of potential consumers. Unless they have the power to consume on a rising scale pari-passu with rising productivity, then the extra productivity remains largely unabsorbed." As an element in prices, labor's earnings may be described as "production-wages costs." These "production-wages costs added together make up the total of all producers' incomes, so that producers as a whole have the power to purchase no greater proportion of their own (i.e., all) production than production-wages costs bear to the average of retail prices.... The crux of the problem of ill-balanced production and consumption now appears to be the failure of retail prices to fall as fast as production-wages costs." Mr. Middleton therefore suggested an analysis of retail prices, in their several elements of (a) cost of materials; (b) production-wages costs; (c) capital charges; (d) taxation; (e) distribution cost. Such an analysis would show the relative importance of these elements, and the changes in their relations, in a range of commodities of general consumption.

VIII. Studies of the problem of agricultural prices in their bearing upon the purchasing power of the farmer.

This was suggested by Dr. Wilbrandt as a problem which finds no solution; but it is part of the whole problem of standards of living.

IX. Organization of social economic research with a world focus.

The need for co-operation between social scientists in different parts of the world was stressed by several speakers, and some specific proposals were made for its organization.

(1) It was suggested (by Dr. Levenbach and others) that instead of organizing a new center, the investigations of the Geneva institutions,

the League of Nations and the International Labour Organisation, should be strengthened and extended. Dr. E. C. van Dorp, Lecturer on Economics at the University of Utrecht, Holland, urged that the International Labour Organisation should be freed from the constitutional limitations upon its studies, so that it might deal more broadly with the economic factors of which labor conditions are an aspect.

(2) Dr. Wilbrandt proposed three institutions:

(a) An International Institute for Labor Market Research (not merely studies of business fluctuations). It would be an information center to foresee changes in opportunities for employment and to observe areas of demand for labor and of surplus.

(b) An International Institute on Economic Deficiencies, which could bring surplus economic capacity or equipment to the countries or areas needing it. With this information it would respond to the first institute's warnings of unemployment.

(c) An International Bank to support the plans of both these institutes.

Though Dr. Wilbrandt considered these proposals to be merely embryonic, he thought that they might suggest the general lines for international organization to prevent unemployment.

(3) As already noted, Dr. Landauer proposed an economic information center, comparable with the international meteorological service, and suggested that the International Chamber of Commerce might do this work.

(4) Dr. A. B. Cohen Stuart, Editor of the League of Nations Journal for Holland, while agreeing that research centers were needed, urged that provision be made through an international review to disseminate results of investigations and to stimulate discussion and exchange of ideas.

(5) A World Planning Board, established in the League of Nations, or as an independent body of experts, was proposed by Dr. Lorwin. Meanwhile as a first step he suggested an unofficial association in a World Research Council for "those who can now rise to a world point of view," which would "stimulate thinking and imaginative action everywhere in the interest of a planful and rational organization of world life"

(6) Dr. F. M. Wibaut proposed to the Program Committee, at its meeting with speakers during the Congress, the establishment of a Study Commission on Social Economic Planning, which would adopt as its agreed basis Dr. Lorwin's definition of the "social progressive type" of planning, and, through co-operation with established agencies, work out the broad lines of a world plan for production.

(7) The chairman of the Program Committee drew these suggestions together in the general proposal for a World Social Economic Center, outlined in her final statement at the closing session; announcing, at the same time, that the Program Committee would continue as an Interim Committee to receive seggestions and to work out plans for conserving the results of the Congress and stimulating continued discussion of the problems involved in raising standards of living in all nations in relation to the world's productive capacity.

With what word, then, shall the reviewer close? If it be useful to show the differences of opinion and conviction, these have been sufficiently explored in the preceding analysis. If agreement should be emphasized, this, also, can be traced by the reader in the books of the Congress. Suffice it to say here that the facts of "the paradox" - unemployment in the midst of economic progress - remained unchallenged throughout the week's discussions. No one doubted the gravity of the present crisis. No one questioned the social, ethical and economic obligation to find a way out. The main differences of view centered in the need for a larger measure of control and its practicability to bring about a more balanced production in relation to consumption; and still more divergent were the opinions as to the scope of such control, and the means of establishing it, whether by a basic change in ownership, involving the whole institution of private property and profits; or by a gradual transformation of economic practices and policies, with an experimental attitude toward changes in industry and government. Moreover, some believed that economic co-operation must precede change in present political policies, while others maintained that rational international relationships in production and commerce could not be achieved until political action was taken on the problems left by the last war, and security established against another breakdown of the world's peace. Still others believed that both political and economic measures are necessary, since the outstanding political problems today have economic implications and results, while politics are influenced by economic considerations.

National planning was more clearly envisaged than world planning, which hovered like a will-o'-the-wisp before the Congress, eluding concrete expression. That the economic life of every nation is affected by influences beyond its borders, was frequently affirmed. That international economic co-operation is urgently needed, was, also, not denied. But that a world plan for production and consumption could be establ-

ished now, was not demonstrated.

Frequent reference to the part played by raw materials and food supplies in international commerce, and the importance of the instability of their prices in the world market as a factor in the present economic depression, suggested, however, that here at least might be a beginning of the application of reason and cooperation, based upon a world view of the earth's resources. Here certainly was a field for immediate analysis out of which a plan could be made. At least its reasonableness would be a challenge to the nations to take these first steps toward economic integration.

To this as a promising field for world research, the material of the Congress added as subjects for continued study the experiments in economic organization actually in progress in three laboratories: first, scientific management in the United States and Europe; second, the cooperative movement in many countries; third, social economic planning as it is being demonstrated in Soviet Russia. To its members and to those who will study its publications, the significance of the 1931 World Social Economic Congress consists not in conclusions nor in final answers to problems, but in its stimulus toward research and experiment, to be conducted in areas limited enough to yield results, but guided by a new awareness of historical trends toward world unity.

OPENING ADDRESS BY Dr. F. WIBAUT, SENATOR, MEMBER OF THE TOWN COUNCIL OF AMSTERDAM.

Mr. President, Ladies and Gentlemen.

It is not as an Alderman of Amsterdam that I am going to address you. When your President, Mr. C. H. van der Leeuw, invited me to say a word at the beginning of your proceedings, he had in mind a personal and not an official word. You may nevertheless take it for granted, and I readily assure you, that your Congress is heartily welcomed by the Amsterdam municipality and that we feel that the subjects it is going to deal with are of the utmost importance and of admitted actuality.

"World Social Economic Congress", such is the inscription on the banner of your gathering. "Social Economic". Are we asked to look upon the combination of these words as traditional and unintentional? Or are they meant to forecast the results of your deliberations? Is the combination meant to express, as the object of your Congress, the coming to the general conclusion on the part of your members, that economy, in the sense of the method of conducting production, must be social; that is to say, social in the sense of being directed towards general welfare as the sole object?

If this must be taken as the meaning of the combination of the words "Social Economic", let us just consider what the inscription on your banner then comes to express by adding the word "World" to "Social Economic". It then means: conducting world production with the sole object of general welfare.

I quite feel that a guest at your Congress should abstain from anticipating the results to which your gathering may come. I will exercise due patience until the last evening of your program, when we hope to hear the statement with which the Congress will close. But the agenda for this last session is promising. It reads "The Necessity for World Social Economic Planning". Allow me to be frank. I have followed both

before the world war and especially since, in what we are expected to look upon as peace, the economic development in those countries concerning which an average observer can get information both in the press and in general literature. And I do not hesitate to designate it as hopeless - utterly hopeless.

Since the Versailles treaty of peace, economic war has grown much more general and much more devastating than before the world war; and this economic war is getting more and more intense every day. Certainly, we do not get tired of proclaming that this economic war between nations, where each nation is acting as the enemy of other nations, should come to an end! We do not get tired of proclaiming that the absolute interdependence of all nations has become, at least in the 20th century, an undeniable fact! We started these proclamations on a large scale years ago, at another world gathering, at Geneva in May 1927, at the World Economic Conference - which was not announced as social, if my remembrance is right. And hopes were then fostered, if not by all of us, certainly by some of us, that the League of Nations and its Economic Section would systematically clear the way which might lead, not in one year, but, if it must be, in, say, several years, to economic understanding in commercial policy.

If the League of Nations had succeeded so far, this might have constituted the beginning of an earnest attempt towards improvement in economic relations between nations. A beginning only, very partial and very incomplete, but in any case a beginning. But even this elementary beginning has not been achieved.

What has been achieved, however, since the world war, is a quick and extensive growth in the world's productive capacity. This capacity had become very extensive before the war. It is getting greater every day. And we find ourselves faced with the fact that, while productive capacity is continually

increasing all over the world, there is no economic outlet for the accumulating product. We equally find ourselves before this other fact, that an increasing number of those groups of persons for whom taking part in the process of production is essential for obtaining a livelihood are excluded from this opportunity.

Your agenda refers to these facts. It introduces the discussions of to-day by the heading "The Present Paradox - Unemployment in the midst of Economic Progress". But I put the question: Is this a paradox? And my reply is: It is no paradox. It would be a paradox if the world's economy had become social. It is not a paradox as long as the conduct of production is not ruled by social but by private interest, interest based on private property.

As long as production is conducted on a basis of private interest, unemployment may, and often does, result from economic progress.

As soon as economic progress means increased quantity of product, not only is the danger of unemployment imminent, but the reality is very frequently there. In production conducted by private interest, unemployment is in fact very often the logical and natural result of economic progress.

The present extension of unemployment all over the world has causes other than that of economic progress, but the disproportion between production and consumption is the essential cause.

In this world situation there is need for a Congress which will deal with subjects such as "Principles and Practicability of Economic Planning"; "Experience in Economic Planning"; and "Necessity and Means for Economic Planning". It is my conviction that the world is in bitter want for international economic planning. The disorder in economic life has become such as to constitute an utter necessity for this planning.

I know, however, that this planning is a big work. It is like a grand building, its achievement requires thought and time.

But above though and time such planning requires: Will - will resulting from admitting the necessity of the achievement.
Allow me to conclude by expressing the wish that your Congress may evoke and strengthen this will to contribute towards the building up of world social economic planning.

ADRESSE D'OUVERTURE PRONONCÉ PAR LE DR. F. M. WIBAUT, SÉNATEUR, MEMBRE DU CONSEIL MUNICIPAL D'AMSTERDAM.

Monsieur le Président, Mesdames et Messieurs.

Ce n'est pas en tant que magistrat municipal d'Amsterdam que je m'adresse à vous. Lorsque votre Président, Mr. C. H. van der Leeuw, m'invita à prononcer quelques paroles à l'ouverture de vos séances, il avait en vue non pas une allocution officielle, mais quelques mots personnels. Néanmoins, vous pouvez tenir pour certain, et je puis vous en donner l'assurance, que votre Congrès est accueilli cordialement par la municipalité d'Amsterdam, et que nous sommes pénétrés à la fois de l'actualité et de l'extrême importance des sujets que vous allez aborder.

„Congrès Economique et Social Universel", tel est le titre sous lequel s'ouvrent vos séances. Mais y a-t-il lieu de considérer la réunion de ces mots „économique" et „social" comme traditionnelle et non intentionnelle? Ou celle-ci préjuge-t-elle au contraire des résultats de vos délibérations? Autrement dit, l'expression employée signifie-t-elle que l'objet de votre Congrès est d'amener la conclusion générale, de la part de vos membres, que l'économie, au sens de méthode de direction de la production, doit être de caractère social, c'est-à-dire avoir pour seul but le bien-être général? Si telle doit être l'interprétation de l'assemblage des mots "économique" et „social" permettez-moi de considérer maintenant ce qu'exprime le titre de votre Congrès par l'addition du qualificatif „universel" à la formule „économique et social"; il signifie, semble-t-il, que l'on aura en vue les moyens de diriger la production mondiale en vue du seul bien-être général.

J'entends bien qu'un invité à votre Congrès doit s'abstenir de toute anticipation sur les résultats de vos discussions; et je ferai preuve de patience jusqu'à la séance finale de votre Congrès, au cours de laquelle nous espérons entendre le rapport de clôture de vos travaux. Mais précisément, le programme de cette dernière séance est particulièrement pro-

metteur. Il ne porte rien moins que sur „la Nécessité d'un Aménagement Economique et Social Universel". Permettez-moi à ce sujet d'être franc. J'ai suivi avant la guerre et surtout depuis la fin de la guerre le développement économique des nations sur lesquelles un observateur moyen peut tirer des informations dans la presse et dans la littérature générale. A titre de facteur de paix, il importe en effet de surveiller l'état économique du monde. Et je n'hésite pas à qualifier celui-ci de désespéré - absolument désespéré.

Depuis le Traité de Versailles, la guerre économique est devenue bien plus générale et bien plus dévastatrice qu'avant 1914; et cette guerre économique devient de jour en jour plus intense. Nous ne nous fatiguerons certes pas de proclamer qu'une telle guerre économique, dans laquelle chaque nation agit en ennemie de toutes les autres, doit prendre fin. Nous ne nous fatiguerons pas de proclamer que l'interdépendance absolue entre toutes les nations est devenue, au moins depuis le début du XX° siècle, un fait indéniable. Or, ce sont de telles proclamations qui, dans une large mesure, ont déjà servi de point de départ à une autre assemblée, la Conférence Economique Internationale tenue à Genève en 1927, conférence qui ne fut pas annoncée comme „sociale", si mes souvenirs sont exacts. Ainsi naquit l'espoir, sinon pour tous, du moins pour beaucoup d'entre nous, que la Société des Nations et sa section économique allaient préparer méthodiquement la voie conduisant à une politique commerciale meilleure, tenant compte des faits économiques, et cela non pas certes en un an, mais en quelques années.

Si la Société des Nations avait réussi, les résultats obtenus auraient pu constituer le début d'un effort sérieux dans le sens de l'amélioration des relations économiques entre nations. Un simple début sans doute, un début bien partiel et bien incomplet, mais en tout état de cause, un début. Malheureusement, ce maigre début lui-même n'a pas été accompli.

Par contre, ce qui a été accompli, depuis la guerre mondiale,

c'est une rapide extension de la capacité de production mondiale. Cette capacité s'était déjà beaucoup étendue avant la guerre, et s'accroît de jour en jour. Et nous voici maintenant en face de ce fait que, tandis que la capacité de production augmente sans cesse dans le monde entier, il n'y a pas de debouchés économiques pour les produits accumulés. Nous nous trouvons également en face de cet autre fait que, parmi les personnes dont les moyens d'existence ne sont assurés que si elles prennent part au processus de production, un nombre de plus en plus grand se trouve écarté de cette possibilité. Votre programme se réfère à ces faits. Il fait débuter les discussions par „le Paradoxe actuel du Chômage au milieu des Progrès Economiques". Mais je pose la question: Est-ce bien là un paradoxe? Et je réponds: Non, ce n'en est pas un. Ce serait un paradoxe si l'économie mondiale était devenue une économie sociale. Mais ce n'en est pas un aussi longtemps que la conduite de la production n'est pas réglée par des considérations sociales, mais par l'intérêt privé, intérêt basé sur la propriété privée.

Tant que la production est conduite sur la base de l'intérêt privé, le chômage peut et souvent doit résulter des progrès économiques. Tant que les progrès économiques signifient augmentation de la quantité de produits, le danger de chômage n'est pas seulement imminent, mais constitue une réalité très fréquente. Dans la production conduite par l'intérêt privé, le chômage est en fait très souvent le résultat logique et naturel des progrès économiques.

Si l'extension actuelle du chômage au monde entier a d'autres causes que les progrès économiques, la disproportion entre production et consommation n'en est pas moins la cause essentielle. Etant donnée la situation mondiale présente, c'est un véritable besoin que la réunion d'un Congrès qui traite de sujets tels que „Principes et Possibilités d'application pratique de l'Aménagement Economique", „Expériences réalisées

en Aménagement Economique" et „Nécessité et Moyens de réalisation de l'Aménagement Economique". C'est ma conviction que le monde a grand besoin d'un aménagement économique international. La nécessité d'un tel aménagement résulte du désordre profond qui règne actuellement dans la vie économique.

Cet aménagement est certes une lourde tâche. Comme pour toute vaste construction, son élaboration demandera de l'intelligence et du temps. Mais au-dessus de l'intelligence et du temps, cet aménagement exigera de la volonté - volonté résultant du sentiment même de sa nécessité.

Permettez-moi de conclure en exprimant le souhait que votre Congrès puisse évoquer et renforcer cette volonté, de façon à contribuer à l'élaboration de cet aménagement économique et social universel.

ERÖFFNUNGSREDE, GEHALTEN VON SENATOR Dr. F. WIBAUT, MITGLIED DES RATES DER STADT AMSTERDAM.

Herr Präsident, meine Damen und Herren,

Nicht in meiner Eigenschaft als Stadtrat von Amsterdam will ich zu Ihnen sprechen. Als Ihr Präsident, Herr C. H. van der Leeuw, mich bat, zu Beginn Ihrer Verhandlungen ein paar Worte an Sie zu richten, hatte er keine offizielle Rede im Sinn, sondern einige persönliche Worte. Sie dürfen jedoch versichert sein, dass die Stadtverwaltung von Amsterdam Ihren Kongress aufs herzlichste bewillkommnet; wir sind uns bewusst, dass der Gegenstand Ihrer Verhandlungen äusserst wichtig und zeitgemäss ist.

„Weltkongress über Sozial-ökonomische Planung (World Social Economic Congress) nennt sich Ihre Veranstaltung. „Sozial-Oekonomisch". Sollen wir in der Verbindung dieser beiden Wörter nur eine herkömmliche, zufällige Zusammenstellung sehen? Oder sollen damit die voraussichtlichen Ergebnisse Ihrer Beratungen angedeutet werden? Soll sich darin als Ziel Ihres Kongresses die übereinstimmende Ansicht seiner Teilnehmer ausdrücken, dass Wirtschaft (economy) - die besonderer Art der Produktionsgestaltung - s o z i a l sein müsse, indem sie einzig dem Ziel der allgemeinen Wohlfahrt dient?

Wenn die Zusammenstellung der Worte „Sozial-Oekonomisch" diesen Sinn haben soll, so gestatten Sie mir kurz zu betrachten, was die Beifügung des Wortes „Welt" zu „Sozial-Oekonomisch" (World Social Economic) ausdrücken soll. Die Worte bedeuten dann: planmässige Gestaltung der Weltproduktion mit dem einzigen Ziel der allgemeinen Wohlfahrt.

Ich bin mir durchaus bewusst, dass ich als Gast Ihres Kongresses nicht die Ergebnisse vorwegnehmen darf, zu denen Sie vielleicht gelangen werden. Ich will auch geduldig bis zum Schlussbericht am letzten Abend warten. Gerade das Thema dieser letzten Sitzung ist sehr vielversprechend; es lautet: „Die Notwendigkeit der Sozial-Oekonomischen Planung der Welt" (The Necessity for World Social Economic Planning).

EROEFFNUNGSREDE

Gestatten Sie mir einige aufrichtige Worte. Sowohl vor dem Kriege, als auch besonders seit dem sogenannten Frieden habe ich die wirtschaftliche Entwicklung derjenigen Länder verfolgt, über die sich der Durschschnittsbeobachter aus Presse und Literatur Auskunft holen kann. Und ich zögere nicht zu behaupten: diese Entwicklung ist hoffnungslos, gänzlich hoffnungslos.

Seit dem Versailler Friedensvertrag ist der Wirtschaftskrieg viel allgemeiner und viel verheerender geworden als vor dem Weltkrieg: und dieser Wirtschaftskrieg wird von Tag zu Tag ärger. Freilich werden wir nicht müde zu verkünden, der Wirtschaftskrieg, in dem jedes Volk der Feind jedes andern ist, müsse nun endlich aufhören. Wir werden ferner nicht müde zu verkünden, die wechselseitige Abhängigkeit aller Völker sei wenigstens im 20. Jahrhundert zur unleugbaren Tatsache geworden. Diese Anschauungen wurden zum ersten Male laut auf einem anderen Weltkongress, nämlich in Genf im Jahre 1927 auf der Weltwirtschaftstagung, die, soviel ich mich erinnere, noch nicht als „sozial" angekündigt wurde. Damals hegten manche, wenn auch nicht alle von uns, die Hoffnung, der Völkerbund und seine Wirtschaftssektion werde systematisch den Weg bereiten, der uns schliesslich - vielleicht in einigen Jahren - zu wirtschaftlicher und handelspolitischer Verständigung führen würde.

Hätte das der Völkerbund erreicht, so wäre vielleicht auf diese Weise ein Anfang gemacht worden, die wirtschaftlichen Beziehungen zwischen den Völkern zu verbessern. Nur ein sehr unvollständiger Anfang, aber jedenfalls ein Anfang. Doch nicht einmal dieser kleine Anfang ist zustande gekommen.

Etwas anderes jedoch ist seit dem Weltkrieg zustande gekommen, nämlich ein rasches und sehr ausgiebiges Wachstum der Produktionskapazität der Welt. Schon vor dem Kriege war diese Produktionskapazität sehr gross. Von Tag zu Tag wird sie grösser. Und so stehen wir vor folgender Tatsache: während die Produktionskapazität der ganzen Welt beständig

wächst, fehlt es an Abflusskanälen für die sich häufenden Produkte der Wirtschaft. Und vor der weiteren Tatsache: eine stets wachsende Zahl von Menschen, die nur durch Eingliederung in den Produktionsprozess ihren Lebensunterhalt verdienen könnte, ist von dieser Möglichkeit ausgeschlossen.

Ihr Programm beschäftigt sich mit diesen Tatsachen. An der Spitze der heutigen Besprechung steht: „Die gegenwärtige Paradoxie - Arbeitslosigkeit inmitten wirtschaftlichen Fortschritts". Ich frage: ist das wirklich eine Paradoxie? Und meine Antwort lautet: Nein. Es würde eine Paradoxie sein, wenn die Weltwirtschaft sozial geworden wäre. Es ist keine Paradoxie, solange die Gestaltung der Produktion nicht von sozialen, sondern von privatwirtschaftlichen Interessen beherrscht wird.

Solange die Produktion auf Grund privatwirtschaftlicher Interessen gestaltet wird, kann Arbeitslosigkeit eine Folge des wirtschaftlichen Fortschritts sein und ist sie es häufig auch.

Solange wirtschaftlicher Fortschritt eine Vermehrung der Warenmengen mit sich bringt, droht nicht nur Arbeitslosigkeit, sondern stellt sie sich sehr oft auch wirklich ein. Wird die Produktion von privatwirtschaftlichen Interessen geleitet, so tritt tatsächlich Arbeitslosigkeit als logische und natürliche Folgeerscheinung des wirtschaftlichen Fortschritts auf.

Die gegenwärtige Ausdehnung der Arbeitslosigkeit über die ganze Welt hat andere Gründe als den wirtschaftlichen Fortschritt, jedoch das Missverhältnis zwischen Produktion und Konsumption ist ihre Hauptursache.

Angesichts dieser Weltlage ist ein Kongress sehr zu begrüssen, der sich Themen stellt wie „Prinzipien und Anwendbarkeit wirtschaftlicher Planung"; „Erfahrung in wirtschaftlicher Planung"; und „Notwendigkeit und Wege internationaler Wirtschaftsplanung". Es ist meine feste Ueberzeugung, dass internationale Wirtschaftsplanung der Welt bitter nottut. Die

EROEFFNUNGSREDE

Zerrüttung des Wirtschaftslebens hat derartig zugenommen, dass Planung zur dringenden Forderung des Tages geworden ist.

Ich weiss, diese Planung ist ein Riesenwerk. Sie gleicht einem grossen Gebäude: ihr Aufbau erfordert Denkkraft und Zeit. Aber mehr noch als Denkkraft und Zeit verlangt sie Willensenergie - einen Willen, erwachsen aus der Erkenntnis ihrer Notwendigkeit.

Ich möchte schliessen mit dem Wunsche, dass Ihr Kongress diesen Willen zum Aufbau Sozial-Oekonomischer Weltplanung wecken und stärken möge.

LE PARADOXE DE L'HEURE PRÉSENTE - LE CHôMAGE EN PLEIN PROGRÈS ÉCONOMIQUE

PAR M. LE DR. MAX LAZARD, PARIS.

INTRODUCTION.

En guise d'introduction au présent exposé, je ne puis mieux faire que de reprendre et de paraphraser les considérants reproduits en tête du programme général du Congrès. La première idée mise en relief, idée d'où découle le titre prévu pour ma communication, est que le spectacle offert à l'observation des économistes par l'humanité moderne est un spectacle paradoxal: d'une part, les hommes n'utilisent pas complètement les forces de production qu'ils sont arrivés à maîtriser, d'autre part, ils éprouvent infiniment plus de besoins qu'ils n'en satisfont. Comment se fait-il, ne peut-on s'empêcher de se demander, que nous ne sachions pas mieux tirer parti de notre propre science, de notre propre industrie, de nos propres richesses?

Déjà choquant en tant que mauvaise utilisation de l'effort humain, ce paradoxe apparaît comme véritablement odieux lorsque ses deux éléments se trouvent réunis dans une seule et même personne, c'est-à-dire lorsqu'un individu donné, à la fois éprouve des besoins et se trouve condamné, du fait de notre organisation économique, à rester oisif au lieu de travailler.

A ce premier grief contre le chômage de constituer un paradoxe, je dois d'ailleurs en ajouter un second qui est peut-être encore plus grave: à savoir que, par l'effet d'un lamentable cercle vicieux, il tend à s'engendrer lui-même. Considérons, en effet, un chômeur dont la force de travail reste inutilisée parce qu'elle n'arrive pas à s'ajuster aux besoins d'autrui: faute de produire, ce chômeur perd toute créance utile contre la société, et, par conséquent, cesse de servir de débouché à la force de travail des autres membres de la société. Autrement dit, le chômage des uns donne naissance au chômage des autres.

Or, comment ne pas être atterré par l'intensité que présente à notre époque ce phénomène doublement choquant pour la

raison qu'est le chômage involontaire? C'est par millions, on le sait, que se comptent dans les principaux pays industriels les salariés sans travail. S'agissant d'un phénomène qui se passe à l'intérieur même de nos organismes économiques respectifs, d'un phénomène sur lequel on dispose de données statistiques plus ou moins précises, les organisateurs de notre Congrès ont voulu qu'une étude scientifique du chômage servît d'introduction aux délibérations que nous devons poursuivre touchant la meilleure utilisation de nos forces de production. Dans ce but, ils ont demandé à un certain nombre de personnalités hautement qualifiées une série de rapports documentaires.

Dans l'introduction générale rédigée pour ces travaux par Miss Mary van Kleeck, les directives auxquelles les rédacteurs des différents rapports étaient invités à se conformer, sont rappelées. On leur a demandé avant tout de fournir des données sur les fluctuations de l'emploi et sur celles du chômage. Les deux notions sont-elles complémentaires l'une de l'autre? C'est ce qui semble implicitement admis, et qui est sans doute vrai jusqu'à un certain point. De toutes manières, les fluctuations du chômage n'ayant encore jamais été relevées aux Etats-Unis d'une manière systématique, il était bien nécessaire, si l'on voulait avoir des renseignements numériques sur le défaut d'activité industrielle dans ce pays, de se rabattre sur les mouvements des effectifs industriels.

A côté des fluctuations de l'emploi ou du chômage, des renseignements étaient demandés sur celles des salaires réels et celles des niveaux de vie. Dans toute la mesure utile pour dégager la signification de cette première série de données, on demandait aux rapporteurs de fournir des indications complémentaires à la fois sur le mouvement général de la production et sur celui de la productivité industrielle.

J'engage vivement mes lecteurs à lire ces différents rapports, et je tiens à leur dire en toute sincérité tout le bien que je pense de cette série de travaux.

Ceux qui jettent le plus de lumière sur la question du chômage involontaire sont ceux sur l'Angleterre, la France et l'Australie du Dr. Benham, celui sur l'Allemagne du Dr. Wilbrandt. Pour

des retards d'ajustement, soit un véritable déséquilibre entre les offres et les demandes d'emploi, sont quasiment illimitées.

Il y a, en premier lieu, toutes celles qui se produisent sur le marché du travail, et notamment la relation, mise très fortement en relief par le Dr. Benham, entre le niveau général des salaires et le niveau général des prix.

Il y a, en second lieu, toutes celles qui se produisent sur le marché des marchandises. On aperçoit, en effet, sans peine, que tout ce qui augmente l'offre de produits agit favorablement sur l'offre d'emploi, tandis que ce qui diminue cette offre agit défavorablement.

Il y a, en troisième lieu, les événements survenant sur le marché financier: l'abondance de capitaux stimule la production, donc l'offre d'emploi, celle des moyens de paiement stimule les échanges, donc, indirectement la production, et par elle de nouveau l'offre d'emploi; la pénurie de ces mêmes capitaux ou moyens de paiement produit l'effet inverse.

Enfin, et à des degrés de connexité plus lointains doivent être évoqués les événements d'une nature non économique, qui entraînent des conséquences économiques. Ainsi des variations climatériques particulièrement favorables ou défavorables peuvent troubler l'équilibre entre la production agricole et la production industrielle, et ce trouble peut se propager sur le marché du travail.

Il en serait de même, le cas échéant, pour toute invention scientifique ou technique, pour les révolutions politiques, pour les guerres, etc. A cet égard, le rapport sur la Russie montrant l'extrême misère qui a régné dans ce pays de 1917 à 1924 est significatif. De même, le rapport sur la Chine, lorsqu'il place parmi les causes nuisant au développement de l'activité économique chinoise la règle politique de l'extraterritorialité.

Par contre, chacune de ces circonstances, aussi bien les proches que les lointaines, peut se trouver neutralisée dans celui de ses effets qui seul nous intéresse en ce moment, c'est-à-dire son effet sur le chômage, par telle ou telle autre circonstance ayant un effet contraire. En d'autres termes, il ne s'agit pas ici de c a u s e s au sens philosophique du mot, mais seulement d'influ-

ences plus ou moins sensibles, plus ou moins efficaces.
Chose remarquable: la plupart de ces circonstances - sous réserve, bien entendu, que nous visions seulement les principales d'entre elles, car il est évident que sans cela on se perdrait dans la forêt sans fin des relations sociales - se trouvent avoir été visées, sinon explicitement, du moins implicitement, dans les rapports préparés. M'essayant à en faire un inventaire systématique, et à les répartir dans ce but entre les trois grandes catégories que je viens de distinguer, je les énumérerai comme suit:

A. **Facteurs intervenant sur le marché des emplois.**

a) Du côté de la demande d'emploi.

1) Accroissement naturel de la population.

Le Dr. Benham se réfère à cette thèse pessimiste selon laquelle les générations nouvelles risqueraient de grossir l'effectif des travailleurs plus vite que celui des consommateurs, et croit devoir la rejeter. Dans le même sens Mesdames Kingsbury et Fairchild nous montrent que la Russie soviétique a vu sa population progresser considérablement sans qu'augmente son taux de chômage.

2) Excès d'immigration ou insuffisance d'émigration.

La question de l'excès d'immigration est posée par le Dr. Benham en ce qui concerne l'Australie. Elle est résolue par la négative.

3) Désertion des campagnes.

C'est, on le sait, l'un des phénomènes les plus caractéristiques de l'économie anglaise et de l'économie allemande. Le Dr. Benham et le Dr. Wilbrandt y font allusion. Inversement, le Dr. Benham montre dans le maintien d'une population agricole relativement abondante une des raisons qui font que la France est relativement épargnée par le chômage.

4) Absence d'un service de placement centralisé, ou insuffisance d'un tel service.

Le rôle joué par les services de placement public en Angleterre, la grande marge de progrès qu'ils comportent encore, la persistance des mauvaises méthodes d'embauchage dans certaines industries, sont utilement évoqués par le Dr. Benham.

5) Difficulté pour les travailleurs de déplacer leur foyer chaque fois qu'ils auraient intérêt à déplacer leur lieu de travail.

6) Concurrence de la main-d'oeuvre féminine ou enfantine.

7) Mauvaise orientation professionnelle de la jeunesse.

8) Insuffisance de l'éducation professionnelle.

9) Demi-validité

La part de chômage attribuable, pour ce qui est de l'Angleterre, à ces divers facteurs, est notée avec finesse par le Dr. Benham.

10) Excès des exigences syndicales relativement aux conditions de travail.

Cet excès des exigences syndicales est souligné avec force par le Dr. Benham, à la fois en ce qui concerne l'Angleterre et l'Australie, tandis qu'inversement le bas taux de chômage français est partiellement expliqué par une plus grande élasticité dans les ajustements de salaires des ouvriers français.

b) Du côté de l'offre d'emploi.

1) Irrégularité du rythme de production dans certaines industries.

Le Dr. Berridge pour le Canada, le Dr. Wilbrandt pour l'Allemagne, montrent l'importance du chômage saisonnier, et que cet accroissement du chômage en hiver tient à l'impossibilité de poursuivre à cette époque certaines catégories de travaux.

2) Longueur de la journée de travail.

Ce facteur n'est pas spécialement signalé par les rapporteurs, mais l'on sait combien de gens pensent actuellement que la journée de travail est trop longue, et qu'il serait bon de la réduire.

3) Transformation des modes de production.

Il s'agit ici surtout du progrès du machinisme, progrès qui permet de réduire les effectifs nécessaires pour obtenir un résultat industriel donné. Ce progrès du machinisme, et son influence sur l'emploi, transparaît dans les différents rapports, et notamment dans ce que le Dr. Berridge dit des effectifs employés sur les chemins de fer américains.

4) Rationalisation de la production.

Elle produit le même effet que le précédent facteur en ce sens qu'elle permet d'économiser du personnel sans réduire la production.

Le Dr. Wilbrandt montre avec quelle vigueur elle a été poussée en Allemagne. Le Dr. Benham fait l'observation contraire pour la Grande-Bretagne et la France.

Rappelons-nous, d'ailleurs, qu'on est généralement d'accord pour penser que le progrès du machinisme et la rationalisation produisent à la longue des effets favorables sur l'emploi. Ils permettent, en effet, d'accroître les débouchés, d'où réabsorption éventuelle des chômeurs provisoirement créés, sinon dans la branche même d'où ils ont été expulsés, du moins dans d'autres emplois.

B. **Facteurs intervenant sur le marché des marchandises.**

a) Du côté de la demande de marchandises.

1) Ralentissement périodique de certaines consommations.

Ce ralentissement présente un caractère saisonnier, et se confond jusqu'à un certain point avec ceux qu'imposent les conditions techniques de la production. Il est pourtant préférable de ne pas le confondre avec eux. Le Dr. Benham y fait allusion en ce qui concerne l'Angleterre.

2) Diminution définitive des demandes portant sur telle ou telle marchandise ou tel ou tel service.

Le plus souvent, cette diminution résulte d'un progrès scientifique ou technique. Ainsi, c'est l'invention du moteur à explosion qui est en grande partie responsable du chômage des mineurs.

3) Fermeture des débouchés offerts par certains pays au commerce d'exportation d'autres pays.

L'importance de cette cause de chômage en ce qui concerne l'Angleterre est fortement mise en relief par le Dr. Benham. Il se trouve, en effet, qu'un certain nombre de clients importants de la Grande-Bretagne, notamment l'Inde et l'Australie, le Canada, la Chine, se sont appliqués à intensifier leur propre production industrielle, et donc ont eu moins besoin d'importer que précédemment. Pour la Chine intervient également l'appauvrissement général du pays, notamment la perturbation survenue dans le taux de change de sa monnaie, qui a entraîné la restriction des importations.

4) Faiblesse relative du pouvoir d'achat des salariés.

Les milieux ouvriers soutiennent volontiers depuis quelque temps la thèse que tout irait mieux pour le commerce si les salariés étaient plus largement payés, parce qu'alors ils pourraient consommer davantage. Il n'y a pas surproduction, disent-ils, mais sous-consommation, et il y a sous-consommation parce que la créance des travailleurs contre la société est inférieure à la somme des richesses produites par eux.

Que cette thèse ne vaille pas comme explication totale du chômage, c'est ce que les observations déjà présentées suffisent à démontrer. Il est d'ailleurs à remarquer qu'aucun de nos rapporteurs n'y fait même allusion, qu'au contraire, le Dr. Benham voit dans l'élévation excessive des salaires britanniques l'une des grandes causes de l'intensité du chômage anglais.

Quoi qu'il en soit, il reste incontestable que les contrats

de travail sont loin d'être toujours conformes à l'équité et en harmonie avec la véritable productivité respective du travail et du capital. Dans la mesure où, en effet, les salaires sont au-dessous de ce qu'il serait économiquement normal qu'ils fussent, on peut admettre que leur avilissement agit défavorablement sur le commerce des échanges.

b) Du côté de l'offre de marchandises.

1) Surproduction.

Les différents rapports ne mettent pas ce phénomène en relief. Cela tient avant tout au fait que les rapporteurs ont été priés de concentrer leur attention sur le mouvement des effectifs industriels ou sur celui du chômage, les indices relatifs à la production et aux prix n'étant pris en considération que dans la mesure où ils expliquent les fluctuations de l'emploi. Personne ne conteste pourtant la réalité des surproductions partielles. Personne ne nie non plus qu'elles aboutissent à faire baisser les prix et à paralyser le commerce.

Facile à expliquer soit par des circonstances physiques, soit par des erreurs d'appréciation des chefs d'entreprise, tant qu'il est limité à telle ou telle entreprise particulière, le phénomène de la surproduction se conçoit plus difficilement comme phénomène généralisé, et pourtant l'expérience de ces dernières années rend bien difficile de nier qu'un tel phénomène de surproduction générale se produise effectivement de temps en temps, et détermine le passage des époques de prospérité aux périodes de gêne. La grosse question est d'élucider quelles circonstances engendrent la surproduction, et si un caractère de périodicité s'attache à la récurrence du phénomène. Question qui, outre son intérêt scientifique, présente un intérêt pratique considérable. En effet, qui dit périodicité dit prévisibilité, donc peut-être possibilité d'action préventive.

Dans les rapports qui nous ont été soumis, la crise de 1921/22 apparaît avec un relief tout spécial; celle de

1926/27, sans être aussi nette, n'est tout de même pas niable; pour celle qui sévit à partir de 1930, sa gravité même serait la seule cause pour laquelle on discuterait de sa réalité. Assez nombreux sont en effet les gens qui pensent qu'il ne s'agit pas d'une crise analogue aux précédentes, mais de l'effondrement définitif et irrémédiable du système capitaliste, tel qu'il a évolué depuis une trentaine d'années.

2) Hausse excessive des prix de revient.

Cette hausse est produite notamment par les exigences syndicales en matière de salaires. C'est dire qu'elle est impliquée dans les rapports du Dr. Benham, qui insiste sur ces exigences.

La hausse des prix de revient peut tenir aussi à la lourdeur de la fiscalité, et plus spécialement des charges sociales pesant sur l'industrie. Les rapports ne font pas spécialement état des charges sociales, mais le rapport allemand insiste - on le devine - sur le poids dont les Réparations grèvent le Budget de l'Etat allemand, et, par là, le budget de chaque contribuable. D'autre part, des détails donnés par le Dr. Wilbrandt lui-même sur le poids des dépenses publiques allemandes, on peut déduire que, dans la mesure où ces dépenses sont couvertes par l'impôt, elles ont aussi sur les prix de revient de l'industrie allemande une influence défavorable.

C. Facteurs intervenant sur le marché financier.

Ils sont en relation étroite avec ceux intervenant sur le marché des marchandises. La question de savoir lesquels jouent le rôle de cause et lesquels jouent le rôle d'effet, est l'une des plus controversées actuellement parmi les économistes et les gens d'affaires. Le plus probable est que, dans certains cas, ce sont les premiers, dans d'autres, les seconds.

De toute manière, il convient de distinguer entre les opérations à long terme, ou placements, et les opérations à court terme: escompte, reports, etc. L'on dit généralement des

premières qu'elles intéressent le marché des capitaux, et des secondes qu'elles intéressent le marché de la monnaie.

1) Facteurs intervenant sur le marché des capitaux.

Le rapport du Dr. Wilbrandt insiste fortement sur les difficultés produites en Allemagne par l'insuffisance des capitaux disponibles. Le plus grave est qu'à défaut d'emprunts de longue durée, les chefs d'industrie ont recouru à des emprunts à court terme, c'est-à-dire à des emprunts sur le marché monétaire, et ont immobilisé dans leur industrie les fonds ainsi reçus. L'on sait que cette pratique techniquement abusive est à l'origine des embarras que traverse actuellement l'Allemagne. Elle explique le terrible chômage régnant dans ce pays dans la mesure où le retrait des fonds prêtés à court terme par les capitalistes étrangers paralyse la production et les échanges. Il est vrai que s'il n'y avait pas eu de prêts, on aurait manqué d'argent, et qu'alors ç'aurait été la disproportion entre les capitaux disponibles et la main-d'oeuvre disponible qui aurait créé la raréfaction des offres d'emploi. Tout compte fait, c'est l'industrialisation excessive de l'Allemagne qui semble devoir être surtout mise en cause.

2) Facteurs intervenant sur le marché de la monnaie.

L'une des théories économiques les plus en vogue actuellement en ce qui concerne les crises générales de surproduction, est que ces crises seraient évitées si le volume des signes monétaires croissait d'une manière exactement parallèle au volume des transactions commerciales. L'une des raisons assignées à l'insuffisance d'élasticité des signes monétaires est l'insuffisance de la quantité d'or accumulée dans les Banques centrales, ou, disent d'autres, sa répartition défectueuse entre ces mêmes banques.

Il est fait allusion à ce mésusage de la réserve métallique dans le rapport Benham pour écarter ce grief, et dans le rapport Wilbrandt pour lui accorder une certaine valeur. Le Dr. Benham est d'accord avec beaucoup d'économistes

pour penser que la stabilisation du change anglais à la parité d'avant-guerre a amené une déflation trop brutale des prix, d'où résulterait à contrario qu'une surabondance modérée des signes monétaires aurait été favorable à la Grande-Bretagne.

C'est ce qu'on dit, en général, en ce qui concerne la France.

Lorsque, au lieu de surabondance modérée, se produit une surabondance illimitée, c'est-à-dire lorsqu'un Etat donné, ne pouvant faire face à ses engagements budgétaires, se met à imprimer du papier-monnaie, la répercussion d'une telle pratique sur le marché du travail, loin d'être favorable comme dans le cas de la surabondance modérée, est, on le sait, néfaste. La hausse trop rapide des prix inquiète tous les esprits, et paralyse l'activité économique. D'où un chômage encore bien pire que lorsque les signes monétaires sont insuffisants. Tel fut le cas de l'Allemagne à la fin de l'année 1923. Le rapport du Dr. Wilbrandt évoque avec force cette phase dramatique et encore présente à tous les esprits de l'histoire économique de l'Allemagne d'après-guerre.

II. CONCOURS DE CIRCONSTANCES EXPLIQUANT LA GRAVITÉ DE LA CRISE ACTUELLE DE CHOMAGE.

Pour expliquer la gravité exceptionnelle de la crise actuelle de chômage, il faut admettre qu'elle est l'effet accumulé de plusieurs des circonstances précédemment énumérées. Le regroupement méthodique de ces circonstances, la recherche éventuelle de leur enchaînement, n'ont été tentés par aucun de nos rapporteurs: en effet, ils étaient en dehors du sujet qui leur avait été assigné. En réalité, lorsqu'on recherche, non pas le pourquoi du chômage, mais le pourquoi de l'aggravation actuelle de ce fléau, il est nécessaire de rejeter au second plan le phénomène même du chômage tel qu'il se déroule sur le marché du travail, pour s'attacher avant tout aux événements intéressant le marché des marchandises et le marché financier. Autrement dit, il est nécessaire de concentrer l'attention sur ce qu'on appelle la crise

économique. La réalité de cette crise économique en tant que phénomène mondial distinct de chacune des crises de chômage survenant à l'intérieur des diverses économies nationales, est fortement mise en relief dans les rapports du Dr. Benham lorsqu'il propose de répartir les 16 chômeurs comptés en Grande-Bretagne pour chaque centaine de salariés valides entre trois catégories, à savoir: 5 chômeurs imputables aux causes de déséquilibre existant en période normale, 6 imputables à un certain nombre de facteurs particuliers à l'Angleterre d'après-guerre, et 5 imputables à la crise économique.

Cette crise, est-il besoin de le dire, a fait depuis dix-huit mois l'objet de travaux innombrables. M'inspirant d'un certain nombre de ces travaux parmi lesquels je signalerai notamment le rapport présenté par M. Albert Thomas à la Conférence Internationale du Travail de 1931, une série d'études contenues dans l'Europe Nouvelle du 18 Avril 1931, une note inédite d'un banquier français, André Istel, et le rapport récemment présenté au Conseil National Economique de France par le Professeur Rist, je présenterai et commenterai comme suit les événements auxquels l'exceptionnelle gravité du mal paraît devoir être attribuée.

1°. Parmi les circonstances dont l'enchaînement a abouti à la dépression actuelle, celle qu'il est le plus indiqué de prendre comme circonstance initiale - étant bien entendu que toute coupure dans le tissu continu de l'Histoire est un acte arbitraire - est la baisse de prix qui s'est fait sentir depuis 1920, et plus nettement depuis 1925 sur la plupart des grandes matières premières et denrées alimentaires.

Au sujet de cette baisse de prix, de multiples questions se posent qui sont ardemment débattues entre économistes: pourquoi les prix des matières premières ont-ils baissé avant ceux des produits fabriqués alors qu'en général c'est le contraire qui se produit; pourquoi un temps relativement si long s'est-il écoulé avant que la production des marchandises atteintes par la baisse se ralentisse, avant que la baisse se généralise, avant que l'ensemble de l'activité économique subisse le contrecoup de cette baisse généralisée? Autant de

points qu'il serait du plus haut intérêt d'éclaircir, non pas seulement pour comprendre le passé, mais encore pour guider l'action présente et préparer l'avenir.

Malheureusement, les données scientifiques disponibles ne permettent de construire que des hypothèses fragiles; plusieurs opinions contradictoires s'opposent les unes aux autres; aucune ne s'impose.

2°. Le système explicatif le plus satisfaisant à première vue est celui qui met l'accent sur l'insuffisance relative des stocks d'or servant de base métallique aux signes monétaires. Le fait est que la production annuelle d'or a été moins abondante après la guerre qu'avant, ce qui s'explique aisément par l'impossibilité de faire varier le prix de vente du métal précieux en fonction de son prix de revient: le prix de revient ayant haussé, parce que tous ses principaux éléments: salaires, outillage, impôts, etc. avaient haussé, et le prix de vente restant celui que fixent les lois monétaires des différents pays à monnaie d'or, la marge de profit s'est réduite, et la production a été comprimée.

Sur quoi se greffe le raisonnement suivant:

1 e r t e m p s : les moyens de paiement étant fonction du stock métallique disponible, leur total n'a pas grossi aussi vite que la production. Donc, le niveau général des prix a dû baisser: on est sans doute entré dans une phase descendante des tendances de longue durée gouvernant ce niveau.

2e t e m p s : la baisse a atteint d'abord les matières premières parce qu'elles ont un marché mondial sur lequel la concurrence entre producteurs est particulièrement forte. Au contraire les prix de gros des produits fabriqués, et plus encore l'ensemble des prix de détail, ont résisté; les prix de gros parce que les producteurs, protégés par les barrières douanières, peuvent plus facilement conclure des ententes, les prix de détail parce qu'il est dans leur nature d'être peu élastiques.

3e t e m p s : au malaise causé par la baisse de longue durée, s'est superposée en 1929 une crise périodique de surproduction.

Hélas, les fondements de cette belle construction théorique ne sont rien moins que solides. En effet, de très sérieuses critiques sont formulées contre la manière dont ont été établies les courbes statistiques sur lesquelles on prétend s'appuyer. Rien ne prouve que le volume des moyens de paiement ait été inférieur aux besoins. En tous cas, lorsqu'on raisonne sur l'indice du niveau général des prix comme si on connaissait effectivement tous les prix, on ne tient certainement pas suffisamment compte de l'imperfection statistique de cet indice.

3°. D'où l'introduction de la variante suivante: ce ne sont pas les moyens de paiement qui ont été insuffisants, ce sont les revenus des acheteurs. Tant que ces revenus étaient évalués en monnaies avariées, les seuls prix-or enregistrés par la statistique étaient ceux des Etats-Unis, et ces prix-or étaient élevés parce que les revenus réels des acheteurs américains étaient élevés. Le jour où les prix-or mondiaux ont été rétablis, ils se sont trouvés gouvernés par les revenus-or mondiaux. Mais les acheteurs des vieux pays, des pays ruinés par la guerre, étaient loin d'être aussi riches que les acheteurs américains. Ils n'ont donc pas pu appuyer leur demande par une offre de prix aussi élevée que l'offre de prix américaine, et le niveau moyen des prix or a baissé. Pour qu'il en fût autrement, il aurait fallu une production d'or beaucoup plus abondante qu'avant la guerre. Or, c'est le contraire qui s'est produit.

4°. Reste une troisième école qui rallie la majorité des économistes français: elle se refuse à mettre l'accent sur la demande de marchandise, ou sur les signes monétaires offerts à l'appui de cette demande, et s'en tient à l'idée plus simple que les produits dont les prix ont baissé étaient des produits pour lesquels une certaine surproduction commençait à se manifester. Il s'agit alors d'expliquer que les premiers marchés engorgés aient été ceux des matières premières et denrées alimentaires, plutôt que ceux des produits fabriqués, l'ordre inverse étant celui qui s'observe le plus généralement, et notamment lors des crises dites périodiques.

Pour rendre compte de cette anomalie, il suffit de considérer que les principaux pays vendeurs de matières premières et denrées alimentaires sont les Etats-Unis et autres pays neufs, donc les pays relativement épargnés, sinon même enrichis par la guerre mondiale. Pendant que l'Europe pansait ses blessures, les pays non européens ont été de l'avant, ce qui est normal, mais ce faisant, ils ont à la fois surestimé les besoins futurs de l'Europe appauvrie, et sous-estimé les capacités futures de production de l'Europe rétablie. Par l'erreur sur le premier point s'explique la crise de 1920/21; par le cumul des deux erreurs, notamment en ce qui concerne le blé et le sucre, celle de 1929/31.

5°. Mais ici le problème à résoudre se complique. En effet, c'est dès 1925 que l'Europe est revenue à son niveau de production d'avant-guerre. Si donc l'accroissement des capacités de production brochant sur la limitation des capacités d'absorption, devait faire éclater une crise, pourquoi celle-ci ne s'est-elle pas produite dès 1926/27? Même question, d'ailleurs, quand on fait tourner l'analyse autour de la pénurie hypothétique d'or. C'est à partir de 1925 que s'est effectué à travers le monde le retour à l'étalon-or, et donc que l'insuffisance d'or devait produire son plein effet. Il y a bien eu, il est vrai, dans certains pays, une petite crise en 1926/27. Mais le malaise a été relativement bénin et limité, et au contraire 1928 et le début de 1929 ont connu une extraordinaire et grandissante prospérité. Comment expliquer un aussi long décalage? Principalement, semble-t-il, par les trois considérations suivantes.

a) De puissants mécanismes ont été montés en divers pays pour soutenir les prix des grands produits: Wheat pool canadien, Federal Farm Board des Etats-Unis, Institut de Défense du Café de Sao-Paulo, Trust du Cuivre, Plan Stevenson pour le caoutchouc, etc. Sans qu'aucune des formules mises en application ait résisté à l'épreuve du temps, elles ont prolongé la force de résistance des producteurs.

b) De larges facilités de crédit ont été trouvées auprès des banques par les entreprises industrielles ou agricoles. A mentionner surtout dans cet ordre d'idées le considérable endettement hypothécaire des fermiers américains: parce que, pendant quelques années, les producteurs de Céréales avaient fait de gros profits, la valeur de la terre avait beaucoup monté; parce que les biens fonciers avaient été valorisés, ils pouvaient servir à gager des emprunts importants.

c) Enfin, et surtout, une extraordinaire poussée de spéculation boursière s'est déclanchée en 1928/29 aux Etats-Unis. A cette spéculation ont pris part, directement ou indirectement, non seulement les capitalistes américains, petits ou gros, mais, à leur suite, indirectement, ceux du monde entier. Les gains que les producteurs de matières premières ou de denrées alimentaires - premiers atteints, ne l'oublions pas, par la baisse des prix - ne faisaient plus au titre du revenu normal de leurs entreprises, ils les ont remplacés, et au-delà, par des différences de bourse. Ainsi, ils arrivaient, non pas seulement à maintenir, mais même à accroître considérablement leur pouvoir de consommation, et, par conséquent, assuraient aux produits fabriqués: automobiles, gramophones, frigidaires, etc., un débit croissant. Mais qui ne voit que la méthode était malsaine et dangereuse. Déjà elle avait fait de graves dégâts sur les marchés européens pendant la période d'instabilité des changes (ainsi à Paris et à Bruxelles en 1926 et 1927. Rist) Poussée à l'extrême aux Etats-Unis, elle y a préparé le cataclysme mondial de 1929/31.

6°. Ont aidé à amorcer la poussée spéculative de New York les opérations de change tendant à préparer le retour à l'étalon-or dans les nombreux pays où cet étalon avait dû être abandonné. En effet, ces opérations, et notamment celles poursuivies par la Banque de France, ont comporté l'accumulation à New York de disponibilités monétaires qui, affectées à des prêts à court terme, ont grossi la masse de manoeuvre utilisable par les spéculateurs.

7°. A contribué à développer la spéculation boursière à New York la croyance que les Etats-Unis, sorte de paradis du capitalisme, étaient entrés dans une ère nouvelle de progrès économique régulier et indéfini. Cette croyance a été dangereusement favorisée par:

a) la généralisation de la pratique des "instalment purchases" stimulant artificiellement la consommation;

b) l'action que les autorités bancaires américaines ont cherché à exercer dans le sens de la stabilité du niveau général des prix.

8°. Grisés par l'atmosphère d'optimisme qu'ils respiraient, trompés par la statistique des prix, comme on le serait par un baromètre artificiellement maintenu au beau fixe, encaissant d'ailleurs effectivement des profits nets que la prévoyance traditionnelle incitait à épargner, les capitalistes des Etats-Unis ont alors sans doute multiplié d'une manière excessive leurs investissements industriels. C'était préparer, pour le moment où ces installations nouvelles commenceraient à fonctionner, le déclanchement de la série de phénomènes avec lesquels les diverses théories des crises périodiques de surproduction nous ont familiarisés.

9°. Autre circonstance aggravante qui s'insère logiquement ici: la concentration des entreprises industrielles, l'accaparement de leur direction par un petit nombre de gros personnages. Chose curieuse, et dont les propagandistes de l'économie dirigée ne tiennent peut-être pas suffisamment compte: plus la formation des épargnes et la destination des capitaux ont été l'objet de décisions concertées, plus, semble-t-il, s'est détraqué le mécanisme économique qui avait assuré au XIXe siècle le développement du capitalisme. Disparition de la concurrence éliminant les moins aptes? Réinvestissements excessifs prélevés sur le profit brut avant toute répartition des dividendes et compromettant l'équilibre entre l'épargne et la consommation? Erreurs de jugement non compensées? Blocage des ressources disponibles sur un nombre trop restreint de bran-

ches industrielles? De divers côtés sont formulés contre les "congrégations économiques" des griefs qui ne sont sans doute pas dénués de tout fondement.

10°. A mentionner également comme facteur tout au moins passager du déséquilibre survenu sur le marché du travail:

a) la brusque extension du machinisme dans l'agriculture des pays neufs;

b) l'effort général de rationalisation, surtout marqué aux Etats-Unis et en Allemagne.
Le chômage de nombreux salariés a été la rançon de ce double progrès. Pour rappeler son origine, on le désigne volontiers sous le nom de "chômage technologique".

11°. Si la crise mondiale s'est trouvée avoir son centre principal aux Etats-Unis, elle a eu, dans divers pays d'Europe, et sous l'effet de causes locales diverses, des centres secondaires importants.
Rappelons parmi ces causes locales: pour l'Allemagne le processus particulièrement malsain qui consiste à financer les industries nationales avec des emprunts à court terme faits à l'étranger; pour l'ensemble de l'Europe centrale, et notamment la place de Vienne, les difficultés incontestables résultant du trouble apporté dans les échanges commerciaux par le remaniement des frontières politiques; pour l'Angleterre, et jusqu'à un certain point pour l'Italie, le trouble apporté aux exportations par le niveau trop haut auquel la monnaie s'est trouvée stabilisée; d'une manière générale, le ralentissement de certains courants d'exportation.

12°. Dans la mesure où la prolongation de la crise tient à la persistance d'un certain déséquilibre entre les prix des matières premières et ceux des produits fabriqués, ou bien encore entre les prix de gros et les prix de détail, ou bien enfin entre les productions et les revenus, il est utile de noter comme tendant fâcheusement au maintien de ce triple déséquilibre la lourdeur des charges fiscales dans les pays occidentaux. Ces

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charges fiscales sont réparties tant bien que mal sur l'industrie, sur le commerce, sur les revenus. Pesant sur l'industrie, elles empêchent les prix des produits fabriqués de s'abaisser dans les mêmes proportions que les prix des matières premières; pesant sur le commerce, elles empêchent les prix de détail de s'abaisser dans les mêmes proportions que les prix de gros; pesant sur les revenus, elles limitent la puissance de consommation des particuliers. Sans doute, ce qui est enlevé à ceux-ci par le mécanisme de l'impôt est attribué à d'autres formes de consommation: consommation des rentiers ou des fonctionnaires, consommations collectives. Toutefois, la substitution n'est pas complète, car une partie des impôts sert à des capitalisations, notamment à amortir des emprunts de guerre et à indemniser des dommages de guerre. D'autre part, sur l'ensemble des dépenses correspondant à des amortissements ou réparations, une fraction est affectée à des règlements d'Etats à Etats, et, malgré que cette fraction soit minime quand on la compare au total des charges fiscales, elle perturbe grandement le commerce international en raison du caractère unilatéral des opérations de transfert.

13°. Qu'en présence de tous ces facteurs destinés logiquement à produire une crise économique, celle-ci ait fini par se déclancher effectivement, c'est ce qui - après coup - ne saurait surprendre personne. Le mécanisme a craqué en Octobre 1929 au point où la tension supportée par lui était la plus forte, à savoir sur le Stock Exchange de New York. Le jour où s'est brisé le cercle vicieux qui faisait progresser le cours des actions de la General Motors en même temps que progressaient les ventes à terme d'automobiles, tandis qu'inversement, plus les actions de la General Motors montaient, plus les porteurs d'actions étaient encouragés à souscrire des contrats d'achat à terme, ce jour-là, l'atmosphère psychologique des Etats-Unis s'est brusquement modifiée. Momentanément compensées ou masquées par la spéculation boursière, les diminutions de revenus qui impliquent compression des dépenses et ralentissement de la production sont soudain devenues perceptibles.

14°. A partir de ce moment, c'est-à-dire à partir du moment où s'est produit le déséquilibre sur le marché des capitaux, et, à sa suite, celui sur le marché des marchandises, devait fatalement apparaître un trouble correspondant sur le marché du travail: le chômage. Sans doute, le chômage ne s'installait pas dans le monde, puisqu'il y règne à l'état endémique - douloureuse, mais jusqu'à nouvel ordre, semble-t-il, inéluctable rançon de la liberté économique et du progrès des richesses - mais il y prenait une acuité d'autant plus grande que la crise économique était elle-même plus aiguë.
Bien entendu, au chômage trouvant son origine dans la baisse mondiale des prix, devait être additionnée la part de chômage imputable dans des pays comme l'Angleterre ou l'Allemagne à des causes particulières à ces pays.

15°. Impossible d'achever cette triste peinture sans évoquer comme facteur d'aggravation l'inquiétude entretenue dans le monde entier par l'incertitude des relations internationales, l'agitation révolutionnaire en divers pays, la précarité de nombreux gouvernements. Parmi ces facteurs spéciaux de trouble une place doit certainement être faite à la difficulté des relations commerciales avec l'U.R.S.S.

16°. A déplorer également le prurit des nationalismes économiques sévissant sur le monde entier: partout des barrières douanières de plus en plus élevées, partout des obstacles à la libre circulation des individus, presque partout une aspiration plus ou moins déraisonnable vers „l'autarcie" économique. Tout cela peut être excusable tant que le rapprochement politique des principales nations n'est pas effectué, et, par conséquent, tant que leur sécurité est en jeu, mais c'est incontestablement fait pour retarder toujours davantage l'ajustement mondial des forces de production les unes par rapport aux autres.

DAS GEGENWÄRTIGE WACHSTUM DER PRODUKTIONSKAPAZITÄT DER WELT

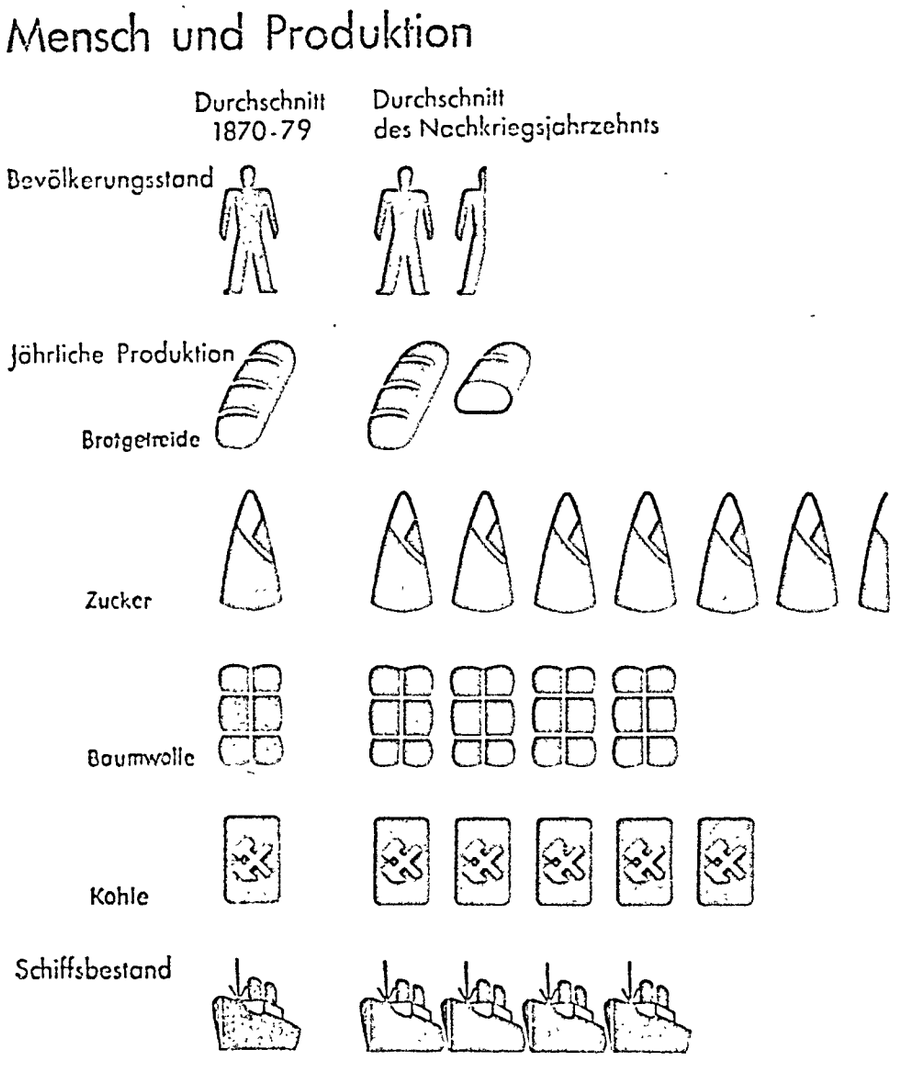
VON Dr. OTTO NEURATH, DIREKTOR DES GESELLSCHAFTS- UND WIRTSCHAFTSMUSEUMS IN WIEN.

Dieser Kongress ist wohl der erste internationale Kongress für Gesellschaftstechnik, wenn ich diesen Ausdruck auf das anwende, was wir hier betreiben. Die Maschinen- und Betriebstechnik hat uns daran gewöhnt, die Dezimalen des Produktionsprozesses wichtig zu nehmen. Die Konjunkturforschung bringt uns die feinsten Feinheiten der Wirtschaftskurven näher, aber die groben Schwankungen der Millionenschicksale werden von diesen Disciplinen nicht systematisch behandelt. Wir stehen am Beginn eines Zeitalters der Gesellschaftstechnik, in dem man sich mit den Gesellschaftsvorgängen beschäftigen wird, wie ein Maschineningenieur mit einer Maschine. Ich möchte heute nur als Gesellschaftstechniker, als Gesellschaftsingenieur zu Ihnen sprechen. Meine Aufgabe ist es, in Erfüllung des Kongressprogramms über das Wachstum der Produktionskapazität und ihre Beziehungen zur Lebenslage des Menschen zu berichten. Meine Zeit ist kurz; ich werde nur programmatische Formulierungen geben, einige markante statistische Zahlen hervorheben, und im Uebrigen einige Bilder zeigen, die rascher einen Ueberblick geben als dies durch Worte möglich ist.

Eine Hauptthese dieses Kongresses ist: dass das Massenelend unserer Zeit ausschliesslich organisatorischen Ursprungs ist. An dieser Stelle wollen wir nicht von Möglichkeiten sprechen, sondern unsere Aufgabe darin sehen, den konkreten Tatbestand zu untersuchen, um auf diese Weise über die Beziehungen zwischen Produktionskapazität und Lebenslage der Menschen (d.h. über Wohnung, Nahrung, Kleidung, Bildung, Vergnügungen, Konsumzeit, Mortalität, Morbidität u.s.w.) Voraussagen machen zu können, für den Fall, dass eine Aenderung unserer Wirtschaftsordnung eintreten sollte. Ich zeige Ihnen im ersten Bild, dass schon die bisherige Entwicklung der Produktion die Entwicklung der Menschheit überholt hat. Malthus hat auf der ganzen Linie Unrecht.

DAS GEGENWÄRTIGE WACHSTUM DER

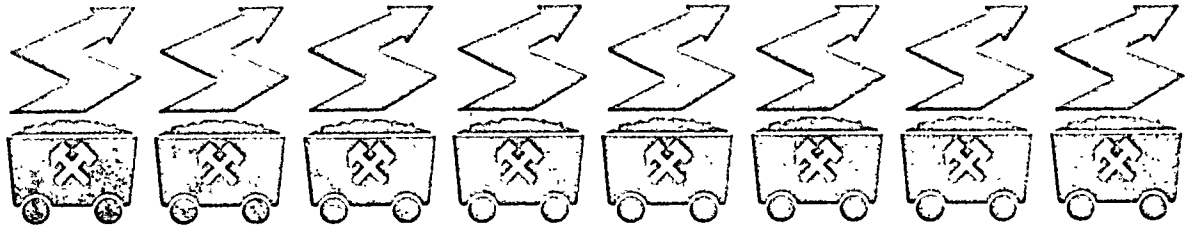
Dieses Bild zeigt uns, dass von 1870/79 bis 1920/30 der Bevölkerungsstand sich um 50 % erhöht hat, Produktion an Weizen auch um 50 %, an Kartoffeln um 100 %, an Zucker um etwa 500 % u.s.w. Die Eisenbahnladungen, die Frachttonnage wurden vervierfacht. Aber die „Leistung" der Produkte wird durch technische Fortschritte weiter erhöht, wie uns ein Bild für U. S. A. zeigt.



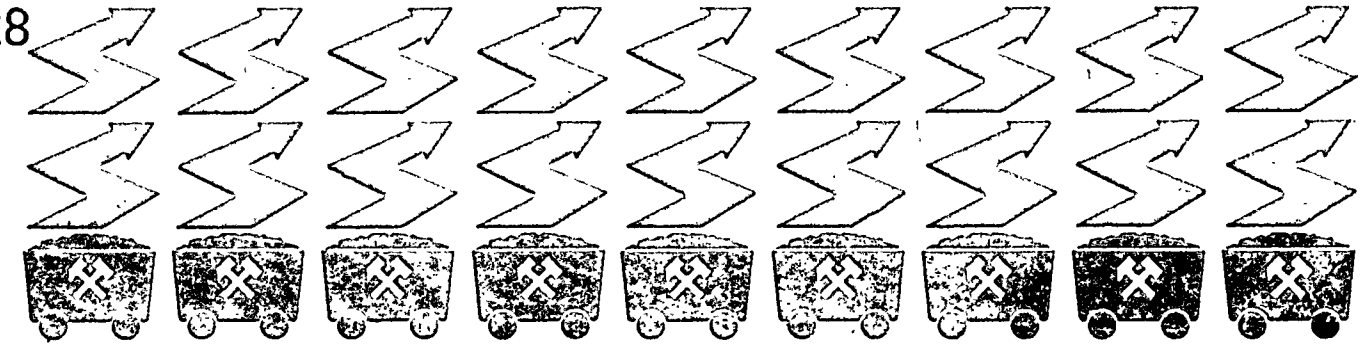
PRODUKTIONSKAPAZITÄT DER WELT

Energieverbrauch in den elektrischen Grosskraftwerken der U.S.A.
Consumption of Fuel by Electric Power Plants in U. S. A.

1919



1928



Jeder Wagen 5 Millionen sht. t Verbrauch von Kohle, Oel oder Gas (auf Kohle umgerechnet)

Each car 5 millions sht. t consumption of coal, fuel oil or gas (equivalent coal)

Österreich. und Wirtschaftsmuseum in Wien

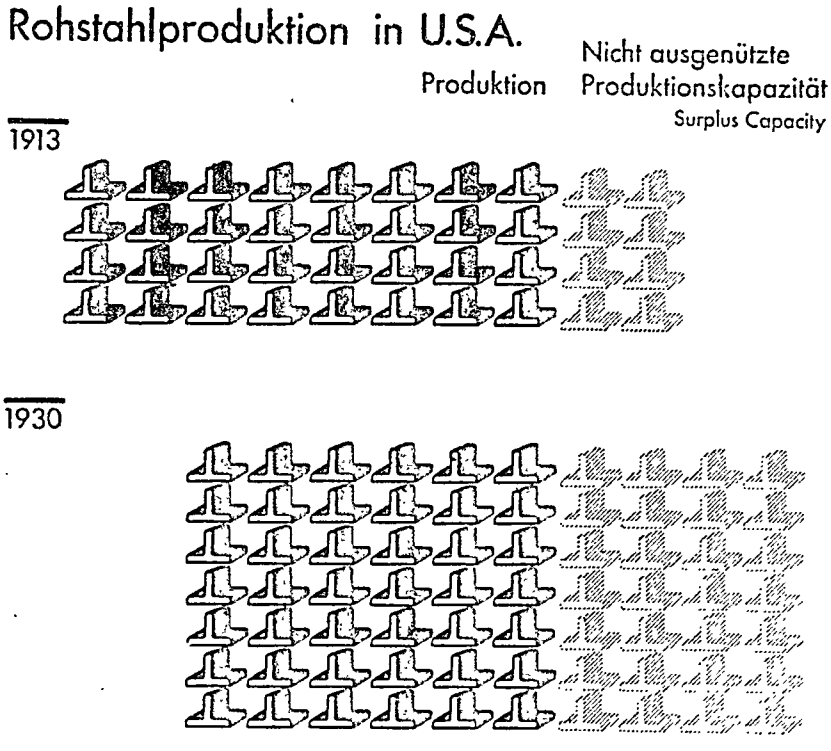
Ich möchte ausdrücklich betonen, dass trotz der mindestens proportionalen Entwicklung von Menschheit und Lebensmitteln stellen- und gruppenweise, Mangel herrscht. Produktionsziffern sind nicht immer Konsumziffern. Ein grosser Teil der Produktion wird eingelagert und so absichtlich dem Konsum entzogen; ein Teil der Produktion wird sogar vernichtet, zerstört, damit er nicht auf den Markt kommt. Ausserdem gibt es eine Reihe Umstände, welche verursachen, dass die tatsächliche Produktion kleiner ist als die effektive Produktionskapazität (Effektivkapazität).

Wir könnten mit den heute vorhandenen Produktionsmitteln, mit den heute vorhandenen Ackerfeldern wesentlich mehr produzieren als tatsächlich geschieht. Wir müssen eben feststellen, dass wir nicht nur weniger konsumieren, als dieser Produktion entspricht, und die vorhandene Produktionskapazität nicht ausnützen, sondern dass die effektive Produktionskapazität durch die mögliche Produktionskapazität der Menschheit übertroffen wird. Auch über diese mögliche Produktionskapazität werden wir heute zu sprechen haben.

Seit mehr als einem Jahrhundert, insbesondere aber in der letzten Zeit, wird die Produktionskapazität aus Profitinteresse dauernd rasch gesteigert, aber der Ausnützungskoeffizient sinkt vielfach, d.h. die gesteigerte Produktionskapazität zeigt einen fallenden Satz der Ausnutzung.

Die amerikanische Rohstahlproduktion lässt das deutlich erkennen. Das Bild zeigt die Kapazität der Jahre 1913 und 1930. Sie sehen die effektive Kapazität um 20, später um 40 % unausgenützt. Dabei sind die tätigen nicht vollgenutzten Produktionsmittel in der Kapazität enthalten, nicht aber die stillgelegten, sonst wäre der Nichtausnutzungsprozentsatz noch grösser.

Ich möchte darauf hinweisen, dass eine ganze Reihe statistischer Beispiele ähnlicher Art gezeigt werden könnte, z.B. Flaschenproduktion mit Owen-Maschinen in Deutschland. Die gegenwärtige Ausnutzung ist 49 %, im Jahre 1913 bei einer kleineren Kapazität 65 %.



Es ist nicht immer leicht, die effektive Produktionskapazität festzustellen. Wir kennen z.B. die Zahl der Hochöfen, der Siemensöfen u.s.w. Es gibt aber viele Faktoren, die wir statistisch nicht so leicht fassen können; in solchen Fällen muss man sich oft damit begnügen festzustellen, dass die Maximalproduktion sich von der Minimalproduktion unterscheidet, wobei man weiss, dass die Maximalproduktion oft wesentlich hinter der heute möglichen Produktion (Effektivkapazität) zurückbleibt.

Zusammenfassend können wir folgendes sagen: in unserer Ordnung, die aufgebaut ist auf Profit, Preis, Kaufkraft, Kredit, und Zins, haben wir überhaupt nicht die Möglichkeit, die mögliche Produktionskapazität auszunützen. Wir können nichts weiter erreichen

als einen Wechsel der Unternutzung. Die Produktion kann manchmal ruckartig zusammenschrumpfen: das ist die Krise.

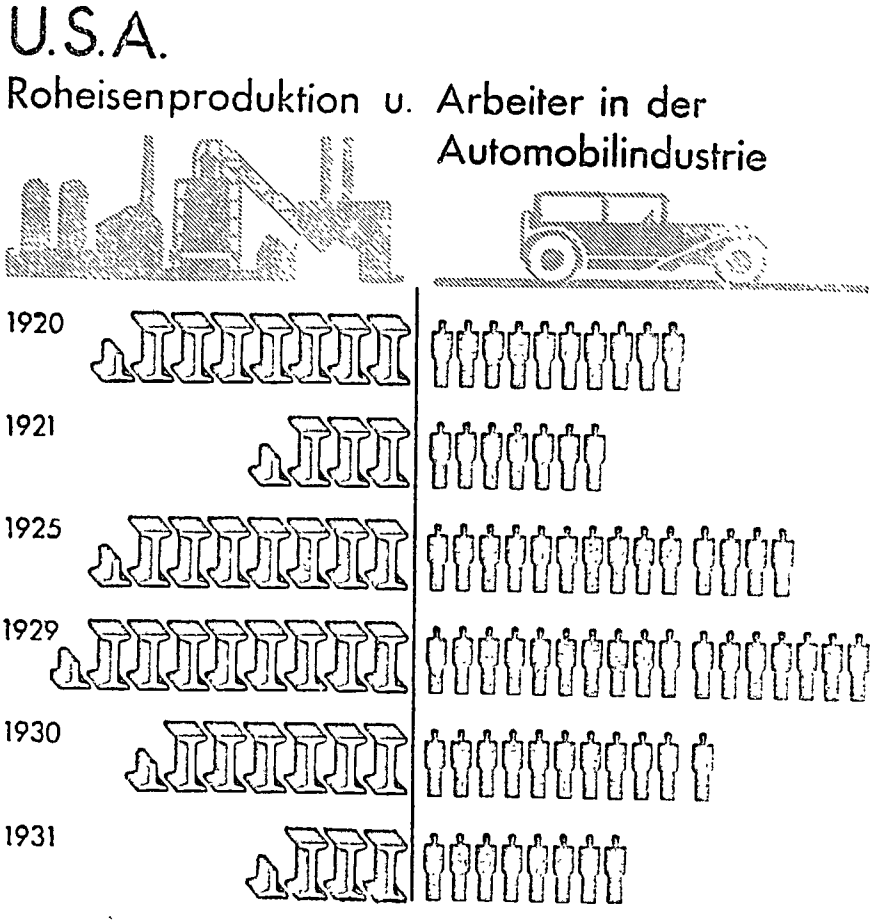
Aber immer, auch unter den besten Umständen, gibt es eine Unternutzung: Es gibt dauernd eine „Reserve-Armee", die in Amerika Millionen Arbeiter umfasst. Der Rückgang einer bestimmten Produktion äussert sich nicht nur darin, dass dieses Produkt nicht zu Konsum kommt, sondern dass im Augenblick, in dem diese Produktion reduziert wird, Arbeiterentlassungen eintreten und damit als Folge Nichtausnutzung der Konsumtionsartikelproduktion.

Ich werde Ihnen das am Beispiel der amerikanischen Roheisenproduktion und Autoproduktion zeigen. Wenn die Auto- gleichzeitig mit der Roheisenproduktion sinkt, sinkt auch die Zahl der Beschäftigten, also nicht aus technischen Gründen (Rationalisierung), sondern aus Marktgründen!

Die Produktionskapazität wird dauernd eingeschränkt, weil Profitinteresse dies verlangt. Das Profitinteresse tritt schon vor der Entwicklung des Finanz- und Industriekapitalismus auf. In der Zeit des reinen Handelsgewinnes gibt es schon das „kommerzielle Einmaleins". Das lautet folgendermassen:

Wenn 100 Mengen zum Preise 3 den Gesamterlös 300 liefern,
„ 200 „ „ „ 2 „ „ 400 „ ,
„ 300 „ „ „ 1 „ „ 300 „ ,

dann ist es besser 200 zum Preise 2 zu verkaufen als 300 zum Preise 1, weil man im ersten Fall 400 bekommt, im zweiten nur 300. Was tut nun der Besitzer von 300 Mengen, wenn er als Geschäftsmann vernünftig handelt im Interesse seiner Frau und Kinder, für die er zu sorgen hat? Er zerstört 100 Mengen! Ob er sie verbrennt, oder sie einfach ins Meer wirft, das sind Einzelheiten moderner Technik, worüber ich hier nicht zu sprechen habe. Es ist wichtig, darauf hinzuweisen, dass nicht nur die Vernichtung einen Teil der Produktion beseitigt, sondern auch die Einlagerung. Die Fachleute wissen, dass die Einlagerung zum Teil eine verschleierte Zerstörung bedeutet. Genaue Untersuchungen gerade über diesen Punkt wären gewiss nicht wenig interessant. Ich will mich mit nur zwei Ziffern begnügen. Im Jahre 1925/26



war der Vorrat an Weizen 3½ Millionen Tonnen, jetzt ist er 12 Millionen bei 100 Millionen (früher 90 Millionen) Weltproduktion, also jetzt 12 % gegenüber früher 4 %. Es ist schwer eine ganze Ernte zu vernichten, und man muss sich wohl damit begnügen, nur einen Teil zu vernichten. Von der Baumwolle überlegt man sich, ob man nicht ein Drittel vernichten soll. Ob das „gelingen" wird, ist noch fraglich. Sie sehen, dass organisatorische Bestrebungen im Gange sind, um die Unternutzung, die von Geschäftsinteressen verlangt wird, zu erzwingen. Ich persönlich bin der Meinung, d a s s o h n e k o n k r e t e p l a n-

mässige und zentrale Gestaltung des Produktionsprozesses nichts erreicht werden kann; ich glaube nicht, dass man durch Lenkung der Kredite, durch eine internationale Finanzpolitik und Marktpolitik die Krise und die Arbeitslosigkeit innerhalb einer kapitalistischen Wirtschaft überwinden könnte. Aber meine persönliche Meinung hierüber kommt jetzt nicht in Frage, ich habe im Sinne meines Themas zu Ihnen nur über die Produktionskapazität zu berichten.

Wir sehen, dass in unserer kapitalistischen Marktwirtschaft die effektive Produktionskapazität hinter der möglichen Produktionskapazität zurückbleibt. Fragen wir uns einmal: Wie wäre es, wenn man die Produktionskapazität voll ausnützen könnte? Denken wir uns theoretisch eine Wirtschaft, in der die Produktion bis zum Rande der Technik ginge. Ich werde eine solche Wirtschaft nach amerikanischem Beispiel eine „funktionelle Wirtschaft" nennen. Ich verwende das neutrale Wort „funktionelle Wirtschaft", um es dahingestellt zu lassen, ob in dieser Ordnung ein proletarischer Staat regiert, wie in Russland, oder ob durch Verbandsorganisation oder freie Vereinbarung diese neue Ordnung gemacht werden könnte, was ich persönlich sehr bezweifle; um es dahingestellt zu lassen, ob es eine Wirtschaft ist, in der der Ertrag nach den Bedürfnissen, ob er nach Leistungen verteilt wird, oder ob der eine viel und der andere wenig bekommt, ohne dass besondere Gründe dafür anzugeben sind. All diese Typen fallen noch unter die funktionelle Wirtschaft. In einer funktionellen Ordnung könnte also bei voller Ausnützung der Produktionskapazität die Verteilung z.B. traditionell, also nichtsozialistisch sein. Ich habe mich hier auf die Frage zu beschränken, wie es mit der Produktionskapazität einer funktionellen Wirtschaft steht, wobei die Verteilung aus dem Spiel bleibt.

Nun ist die Frage zu beantworten, wie wir uns in einer funktionellen Wirtschaft die „funktionelle Produktionskapazität" vorstellen können, fern von allen phantastischen Spielereien. Es

handelt sich um ganz konkrete Ueberlegungen auf Grund konkreter Daten.

Eine Ueberlegung: wir können uns zum Beispiel denken, dass alle Betriebe so gut produzieren, wie der beste Betrieb jetzt produziert, und wir können eine starke Steigerung der Produktion erreichen, wenn alle Betriebe in gleicher Weise aufs beste arbeiten würden. Mancher wird das für utopisch halten; aber wenn heute ein ganzes Gebiet eine bestimmte Produktion aufweist, so ist es doch nicht utopisch anzunehmen, dass andere Gebiete dasselbe könnten, was das eine kann. Vergleichen wir etwa amerikanische und europäische Autoproduktion. (Seite 112.)

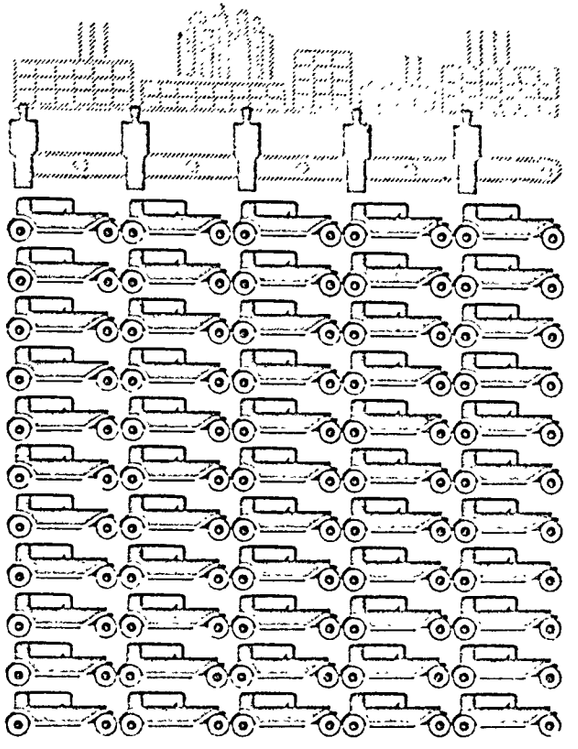
Wir können uns jetzt überlegen, wie rasch man die Produktion überhaupt steigern kann. Wir kennen aus der Geschichte Produktionssteigerungen von 30 % in 15 Jahren. In der Sowjet-Union sowie in anderen Ländern sind in kurzer Zeit sehr grosse Steigerungen zu konstatieren; da handelt es sich um neue Produktionsanlagen in jungem Gebiet.

Während Bestbetriebe etwa zwei bis vier oder fünfmal so viel produzieren als Durchschnittsbetriebe (Erhebungen in U. S. A.), würde das Gebiet Europa pro Arbeiter etwa zehnmal so viel Autos produzieren als bisher, wenn man die Produktionsweise Amerikas einführte.

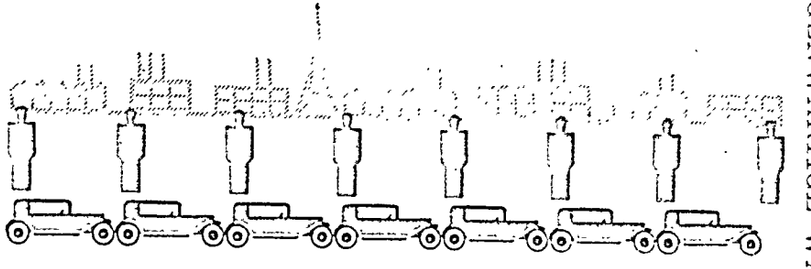
Es kommen noch ganz andere Dinge dazu. Wenn wir uns eine funktionelle Weltwirtschaft rein theoretisch denken, rechnungsmässig (nicht historisch, ich will mich von jeder Utopie ferne halten), dann können wir den Krieg weglassen und den meisten Zwischenhandel, und die Reklame, und die Konkurrenzmassnahmen, sowie verschiedene andere „Nebenleistungen" unsres Wirtschaftsprozesses. Denken wir uns, dass der Staat die Mittel, welche er sonst zur Kriegführung und für Kriegsausrüstung brauchte, nun dazu verwendete, die Lebenslage der Menschen zu steigern - das ist doch ein möglicher Gedanke, d.h. um Wohnungen, Nahrung, Kleidung, Vergnügungsmittel zu produzieren. Wir sehen, dass z.B. in Amerika ungefähr ein Viertel der Arbeitskräfte verwendet worden ist, um den Weltkrieg führen zu helfen. Aber es wäre gefährlich, diese Berechnung auf die Abrüstung innerhalb unserer Profitwirtschaft zu übertragen. Wenn es möglich sein sollte, innerhalb der heutigen

Die Autoindustrie Production of Motor Vehicles 1929

Nord- und Südamerika



Europa



Jede Figur 100000 Arbeiter der Autoindustrie
Jeder Wagen 100000 produzierte Automobile

Each figure 100000 employees
Each car 100000 produced motor vehicles

Gesellschafts- und Wirtschaftsmuseum in Wien

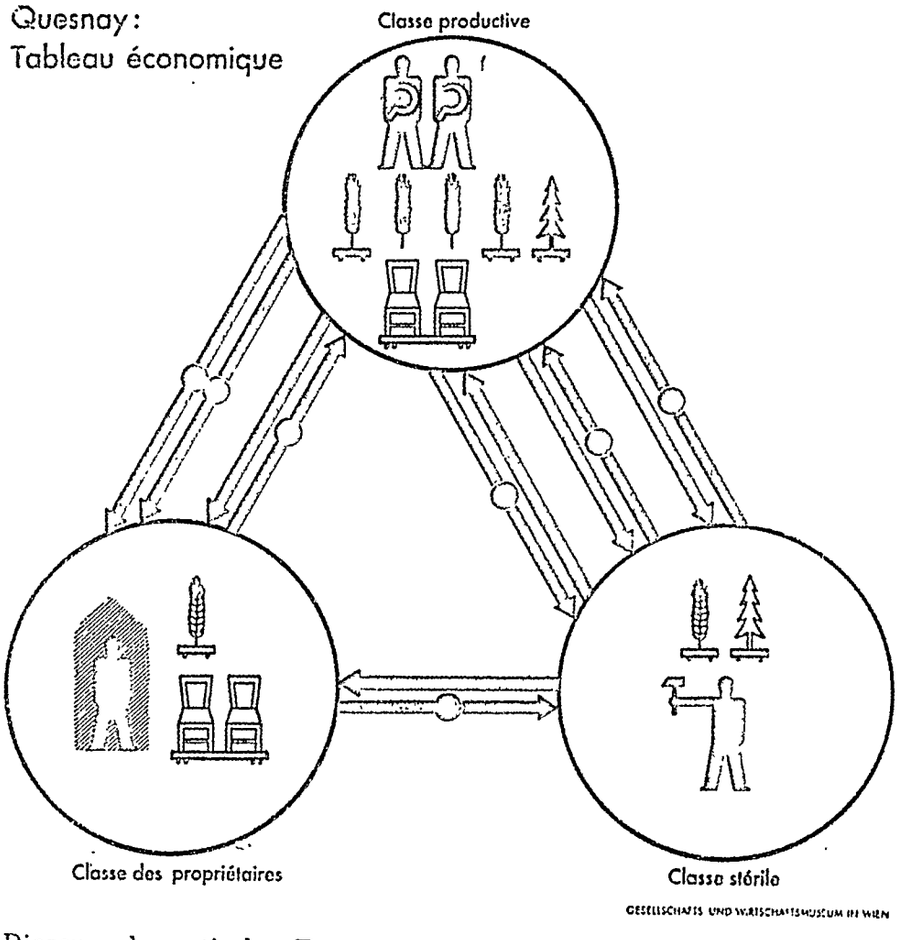
Ordnung abzurüsten, dann wäre es ein schwerer Irrtum zu glauben, dass dies eine Ersparung an Kräften bedeuten müsste; es könnte eine Verschärfung der Krise geben mit einer ungeheuren Zahl von Arbeitslosen. Die Armeen sind wie Schwämme, die die Arbeitslosen aufsaugen. Das einzige Land, das unbedingt die Arbeitslosen im Falle der Abrüstung gebrauchen könnte, ist gegenwärtig die Sowjet-Union, die keine Arbeitslosigkeit und keine Krise hat. Unsere kapitalistische Wirtschaftsordnung ist so eingerichet, dass der Krieg mit seinen Millionen Toten oft eine gute Geschäftskonjunktur bedeutet. Fängt der Krieg mitten in der Krise an, so beginnt sofort die gute Konjunktur; geschäftlich bedeutet der Krieg eine gute Konjunktur. Und nicht nur, dass der Krieg eine gute Geschäftskonjunktur erzeugt, er erhöht sogar zuweilen die Lage der Menschen während des Krieges. Wir haben eine derartige Unternutzung in Friedenszeiten, dass wenn im Krieg eine planmässige Wirtschaft beginnt, durch welche die Reserve an Arbeitskräften und Produktionskapazität aufgesaugt wird, hie und dä eine wirkliche Verbesserung der Lage eintritt.

Die Reserven sind so gross, dass die Vereinigten Staaten trotz des Krieges eine Verbesserung der Lebenslage während des Krieges erreichen konnten; Aehnliches wird aus dem England der Napoleonischen Kriege berichtet.

Nach dem Kriege wurden z.B. für die Wiederaufbautätigkeit in Frankreich, wo man in sechs Jahren für 4 Millionen Menschen Wohnungen und ausserdem 20.000 Fabriken gebaut hat, ungeheure Reserven verwendet. England hat dadurch gelitten, weil die Reparationskohle, die Deutschland an Frankreich liefern musste, England verhinderte, seine Kohlen an Frankreich zu verkaufen.

Ich möchte nicht auf Einzelheiten eingehen. Durch die Analyse der Konjunkturkurven werden wir dem Problem nicht ganz gerecht, ganz abgesehen davon, dass sie uns die Toten und Krüppel nicht zeigen. Wir brauchen eine Analyse des Schemas des sozialen Lebensgefüges. Wir müssen uns fragen, wie die realen Dinge sich bewegen, nicht die Geldpreise. Man darf die beiden Dinge nicht ineinanderschieben, sondern muss den konkreten Tatbestand der Produktion und des Verbrauchs als e i n e Sache, Geld und Kredit als eine andere behandeln. Als

einfaches Beispiel, wie man ein solches Schema zu verstehen hat, möchten ich Ihnen ganz kurz das berühmte in sprachlicher Darstellung nicht so leicht übersehbare „Tableau économique" Quesnays in anschaulicher Form zeigen.

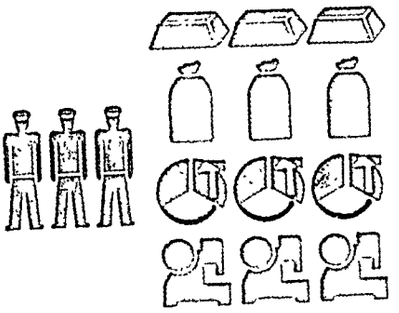


Dieser schematische Prozess stellt eine stabile Wirtschaftsordnung dar. Die „Produktive Klasse" zahlt 2 Geldmengen Rente an die „Klasse der Grundeigentümer"; diese verwendet je eine zu An-
„Klasse der Grundeigentümer"; diese verwendet je eine zu An-
schaffungen bei der „Produktiven Klasse" und der „Sterilen Klasse" (Handwerker, Industrielle u.s.w.), die anderseits Rohstoffe und Nahrung von der „Produktiven Klasse" bezieht, welche Fertigfabrikate von der „Sterilen Klasse" käuflich anwirbt. Die

Wachstum der Produktionskapazität

in Naturalrechnung

Vor der Rationalisierung



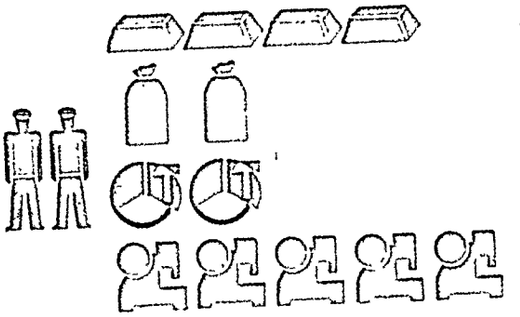
3 Rohstoffverbrauch

3 Lebensunterhalt

3 Arbeitsleistung
3 Konsumzeit

3 Produkte

Nach der Rationalisierung

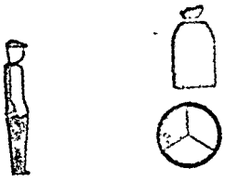


4 Rohstoffverbrauch

2 Lebensunterhalt

2 Arbeitsleistung
2 Konsumzeit

5 Produkte



1 Lebensunterhalt

2 Konsumzeit

Erfolg der Rationalisierung

+ 1 Rohstoffverbrauch

– 1 Arbeitsleistung

+ 1 Konsumzeit

+ 2 Produkte

„Produktive Klasse" konsumiert von ihr erzeugte Nahrung und verkauft sie (Aehre), ebenso wie Rohstoffe (Holz). Die „Sterile Klasse" produziert für die beiden anderen Klassen Fertigfabrikate aus den Rohstoffen (Stühle). Ricardo hat versucht, ein solches Schema komplizierter auszugestalten und zu zeigen, dass auch dieses komplizierte Schema noch stabil ist. Dagegen richtet sich die Kritik einzelner Sozial-Oekonomen, z.B. die Sismondis. Vor allem aber zeigte Marx, dass die logischen Voraussetzungen der kapitalistischen Ordnung notwendig Krisen erzeugen, dass sie logische Konsequenzen der Prämissen unserer Ordnung sind. Wenn ein Produktionszyklus abgeschlossen ist, beginnt bei Marx die neue Produktion unter veränderten Voraussetzungen, bis schliesslich die kapitalistische Ordnung selbst untergehen muss. Das führt zu einer historischen Prognose, die nicht Gegenstand dieses Kongresses ist.

Was müssen wir tun, wenn wir ein konkretes soziales Schema aufstellen wollen? Wir müssen eine Rechnung beginnen, die frei von Vorwegnahmen die sozialen Korrelationen behandelt.

Wir sehen auf der Bildertafel einen vereinfachten Produktionsprozess vor und nach der Rationalisierung. Der Unternehmer errechnet in der privaten Rentabilitätsrechnung einen Vorteil plus 1. Aber, sagen andere, er habe die Arbeitslosen nicht eingerechnet, die der Gesellschaft zur Last fallen; eine soziale Rentabilitätsrechnung könne z.B., wenn die Kosten der Arbeitslosenversorgung 3 betragen, zu einem negativen Ergebnis minus 2 kommen. Im zweiten Fall sind beide Rechnungen negativ, im dritten Fall beide positiv. Wie aber verhält sich die Sache wirklich?

Die Naturalrechnung zeigt, dass im ganzen genommen - vorausgesetzt, dass der Gesamtwirtschaftsplan nicht besondere Einwände ergäbe - eine vermehrte Produktion (sowohl in Rohstoffen, als auch in Fertigfabrikaten) vorliege, während ein Plus an Konsumzeit, ein Minus an Arbeitsmühe hinzukommt. Für die Naturalrechnung sind die Lebenslagen nur Erfolge, aber nicht Kosten. Auch wenn die Arbeitslosen nicht weiter verwendet werden können, ist diese

Rationalisierung ein Erfolg. Die Gesamtheit der Arbeiter hat mehr Produkte erzeugt und unmittelbar, ehe noch die Produkte konsumiert werden, eine Verbesserung der Lebenslage durch verlängertes Week-end erfahren.

Die Auffassung, dass der Arbeitslose eine Belastung der Gesellschaft ist, obwohl er soviel konsumiert wie vorher, ist unsinnig. Dass man die Arbeiter zu den Kosten rechnet, ist nur kapitalistisch zu verstehen. Es kommt in der Naturalrechnung darauf an festzustellen, was man an Lebenslagensteigerung (das ist der „Erfolg" der Gesellschaftstechnik) erzielt. Ob der Unternehmer oder der Arbeiter den Erfolg bekommt, spielt dabei keine Rolle, dies hat nur Bedeutung in der kapitalistischen Geldauffassung, in der die Dividende als „Gewinn", der Arbeitslohn als „Kosten" verrechnet wird. Die Naturalrechnung kennt keinen „Generalnenner", nur spezifische Einheiten: Kilogramme, Arbeitstage, Ackerflächen u.s.w. Vielleicht werden diese Auffassungen bei vielen von Ihnen Widerstand erwecken - das dient der Diskussion. Ich glaube aber, dass viele von Ihnen wenigstens Folgendes gleich zugeben werden. Ich kann doch nicht die Ergebnisse der verschiedenen Wirtschaftsordnungen mit Hilfe von Geldberechnungen vergleichen, wenn in Frage steht, ob Geld überhaupt ein geeignetes Mittel des Wirtschaftsbetriebs ist. Ich muss die Rohstoffe und den Konsum nehmen und nun verfolgen, wie die Aenderungen in Konkreto vor sich gehen. Die Schwierigkeiten sind nicht nur theoretisch, sondern auch praktisch sehr gross.

In der Sowjet-Union, wo man sich von der Gewohnheit befreit hat, die Produktionsmittel als Privateigentum zu behandeln, wird zunächst noch eine Rentabilitätsrechnung angewandt, um in den einzelnen Betrieben die Leistungen zu steigern, um sie zu Höchsleistung anzuspornen. Ich bin der Anschauung, dass diese Berechnung unter Umständen bewirken wird, dass an sich zweckmässige Rationalisierungen, welche der Lebenslagensteigerung dienen können, unterlassen werden, weil Fehler auch in der sozialen Rentabilitätsrechnung vorkommen können. Nur verhindert dort der natural aufgestellte Wirtschaftsplan schlimme Folgen solcher Fehler. Es ist z.B. ausgeschlossen,

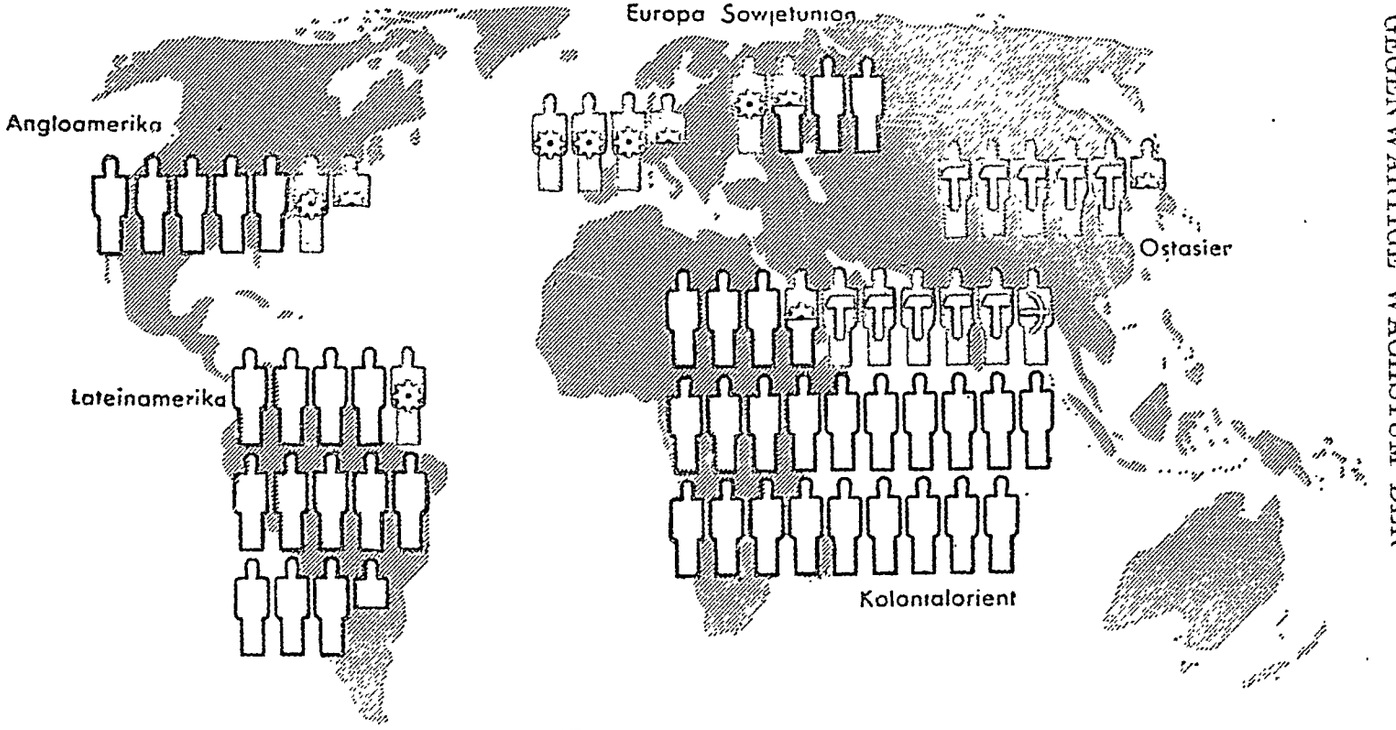
dass ein Betrieb in der Sowjet-Union einen Teil der Produktion vernichten könnte, z.B. ein Drittel der Baumwollernte, um den „Erfolg" zu steigern. Dass man dies unterlässt, ergibt sich aber nicht notwendig aus der sozialen Rentabilitätsrechnung. Die Rentabilitätsrechnung kennt isolierte Betriebsgewinne, die Naturalrechnung muss immer auf den Gesamtwirtschafstplan zurückgreifen.

Für alle solche Auseinandersetzungen müssen wir, wenn sie sinnvoll sein sollen, den Erfolg und Misserfolg von sozialen Organisation ermessen an den konkreten Aenderungen der Produktionsmittel und des Lebenslagenertrags, während wir nicht mit Gewinnen, mit Geldeinkommen u.s.w. rechnen dürfen, weil dagegen „sehr gerechtfertigte Bedenken" vorgebracht werden können, wie ich mich bescheiden ausdrücken will.

Was können wir mit all dem machen? Wir können einen grossen Weltwirtschaftsplan ausarbeiten, der nur auf Lebenslage und Produktion abgestellt ist. Die Ausarbeitung des sicher sehr komplizierten Plans ist aber in vielem einfacher als die Ausarbeitung eines Arbeitsplanes, z.B. der I.G. Farbenindustrie A.-G. oder eines anderen Trusts dieser Art. Ich möchte andeutend zeigen, wie die Erde aussieht, wenn man sie als eine Riesenfabrik betrachtet. Sehen wir erst, ob die Menschen auf der Erde leben können, wie gross ihre agrarische Tragfähigkeit ist. Vielerlei Berechnungen, so die vorliegende von Alois Fischer, zeigen, dass ungefähr dreimal so viel Menschen auf der Erde leben können als gegenwärtig, wenn wir neues Land roden und die besten jetzt bekannten Anbaumethoden verwenden. Für Autarkiebestrebungen ist dagegen die agrarische Tragfähigkeit der im Kriegsfall isolierten Gebiete wichtig. Für unsere funktionelle Weltwirtschaftsrechnung kommt dies nicht in Frage. Wir sehen: Europa and Ostasien sind komplett; solange sie Ihre Produktion nicht steigern, müssen sie sogar importieren.

Bei der Berechnung der agrarischen Tragfähigkeit ist zu beachten, dass vorläufig die Tropen für Europäer als Wohnort

Agrarische Tragfähigkeit der Hauptraume



Moderne Wirtschaft Altkulturwirtschaft Primitive Wirtschaft

Jede Figur mit Zeichen 100 Millionen Menschen
Jede leere Figur Überschuss an Ernährungsraum
für 100 Millionen Menschen

GESELLSCHAFTS UND WIRTSCHAFTSMUSEUM IN WIEN

wenig taugen. Die Leerräume in Lateinamerika und im Kolonialorient sind nur zum Teil für Europäer verwendbar. Die Zerlegung der Erdoberfläche in sechs „Haupträume" ist wohl sofort verständlich.

Ich möchte darauf hinweisen, dass aus dieser Tatsache allerlei folgt. Der Nahrungsmittel wegen brauchen wir uns keine Sorgen zu machen. Nun können wir z.B. eine Berechnung anstellen, die auf dem Prinzip der internationalen Arbeitsteilung beruht, in dem einen Gebiet gewinnt man Kautschuk, im anderen Baumwolle, Kaffee u.s.w. In einer funktionellen Wirtschaft dürfte wohl ein Gebiet vorwiegend industriell, das andere vorwiegend agrarisch sein. In dieser Weise können wir zum Beispiel von einigen Kornkammern aus mit Getreide die Welt versorgen. Sie sehen aus diesem Beispiel, wie man schematisch so etwas rasch anschaulich macht.

Wir können nun in gleicher Weise uns ein Bild zu machen trachten von der effektiven Kohlenproduktion und anderen Stücken eines Weltwirtschaftsplans. Wir sehen in einer kurzen Uebersicht, dass grundsätzlich keine Schwierigkeit bestehen würde, die Erde nach Produktionsgebieten einzuteilen.

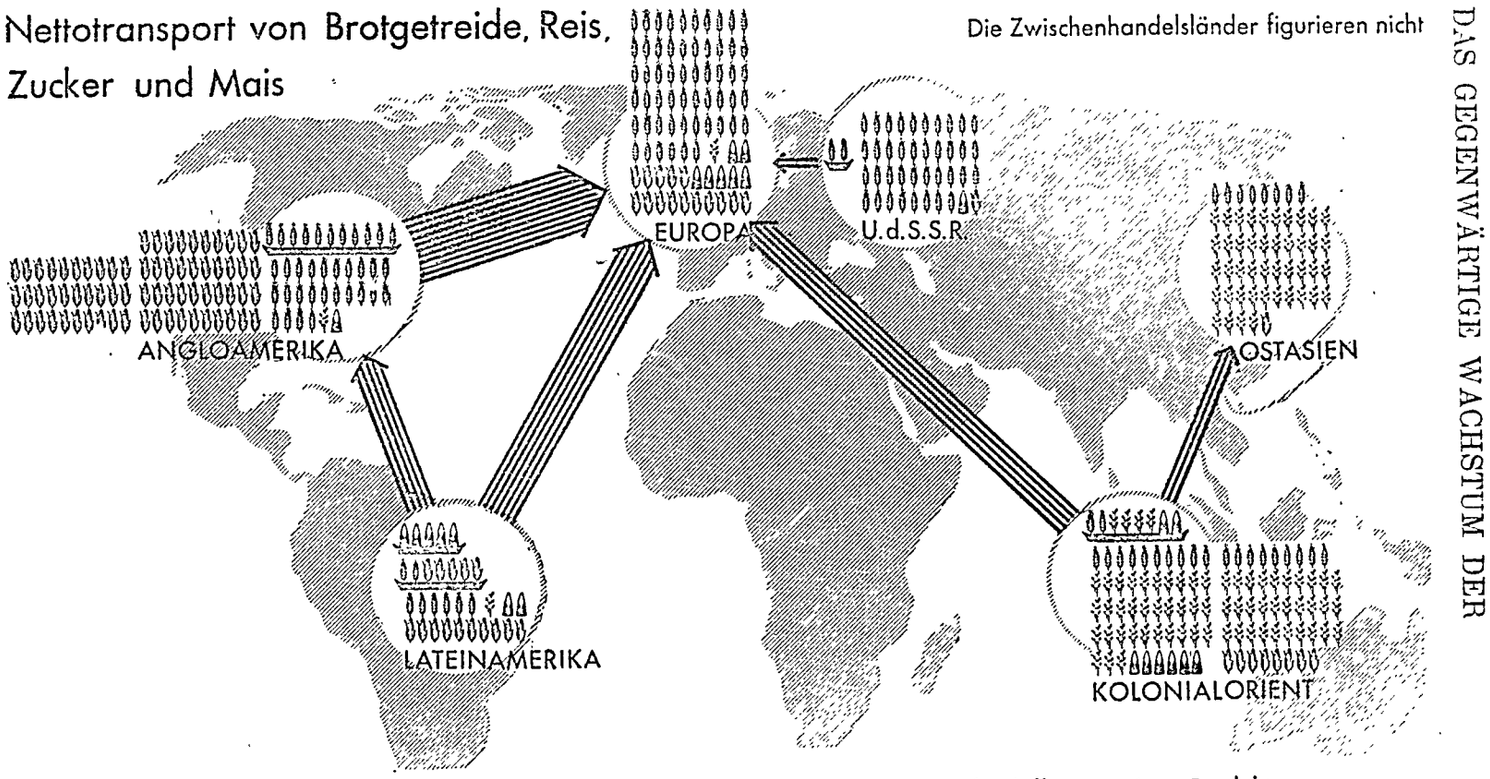
Im Rahmen eines funktionellen Wirtschaftsplanes ist internationale Arbeitsteilung als Voraussetzung grösster funktioneller Produktionskapazität etwas Selbstverständliches: Allgemeine Mechanisierung, auch des Plantagenbaus, nicht allgemeine Industrialisierung. Dass der gegenwärtige Geschichtsverlauf andere Wege geht, sei ausdrücklich betont!

Das in der kapitalistischen Wirtschaftsordnung angedeutete Prinzip der Monokulturen könnte noch weiter ausgebaut gedacht werden. Ein einziges Gebiet im Kolonialorient reicht aus, um den ganzen Kautschukbedarf der Welt zu decken. Wozu neue Baumwollplantagen, wenn die Plantagen Indiens und der Vereinigten Staaten ausreichen? Jute mag Indien weiter liefern, Kakao Mittelafrika, Kaffee Südamerika. So könnten wir weiter Zucker, Tee in einem oder in wenigen Gebieten konzentriert denken.

Einige Kornkammern würden genügen. Das gleiche gilt von den Viehzuchtgebieten. Schon jetzt gibt es ein Drittel aller

Nettotransport von Brotgetreide, Reis, Zucker und Mais

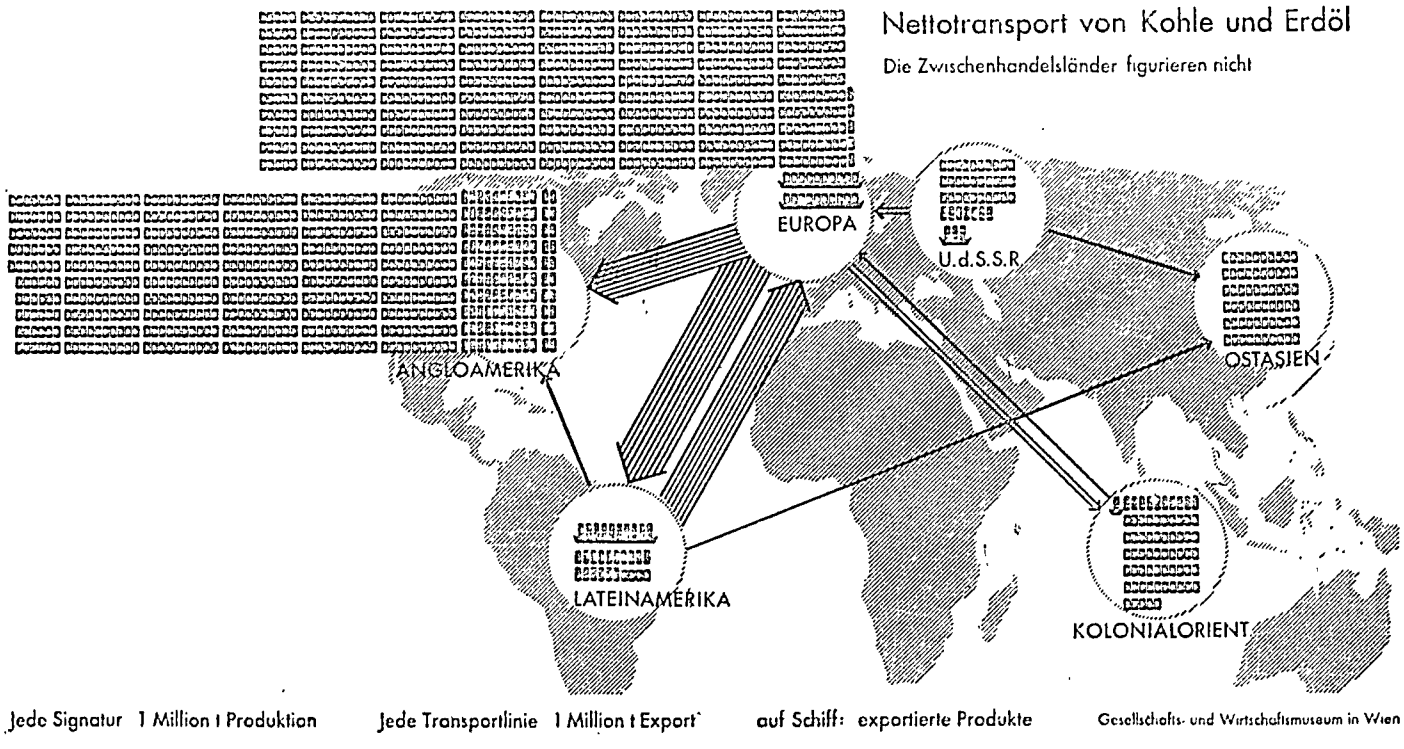
Die Zwischenhandelsländer figurieren nicht



Jede Signatur 1 Million t Produktion · Jede Transportlinie 1 Million t Export · auf Schiff: exportierte Produkte

Gesellschafts- und Wirtschaftsmuseum in Wien

Die "Nettotransportmengen" unserer Bilder (Siehe auch folgende Seite) haben bereits Hin- und Hertransporte in Abzug gebracht, ebenso Umwege (z.B. Erdölraffinerien der U.S.A., die mittel- und südamerikanisches Erdöl verarbeiten). Die Tafeln zeigen, das nur Europa und Ostasien Getreide, Reis, Zucker importieren; U.S.A. importiert Zucker, vor allem aus Kuba.



Wir sehen auf dieser Tafel, dass Europa Kohle exportiert, während Lateinamerika, UdSSR und der Kolonialorient Erdöl exportieren. Der gewaltige Eigenverbrauch an Kohle in U.S.A. und in Europa wird deutlich.

Schweine in Angloamerika, ein Drittel in Europa. Ein Drittel der Weltbutterausfuhr stammt aus dem kleinen Dänemark, zu dem immer mehr Sibirien hinzutritt. Ungefähr 90 % der Weltweinproduktion entfällt auf Europa.

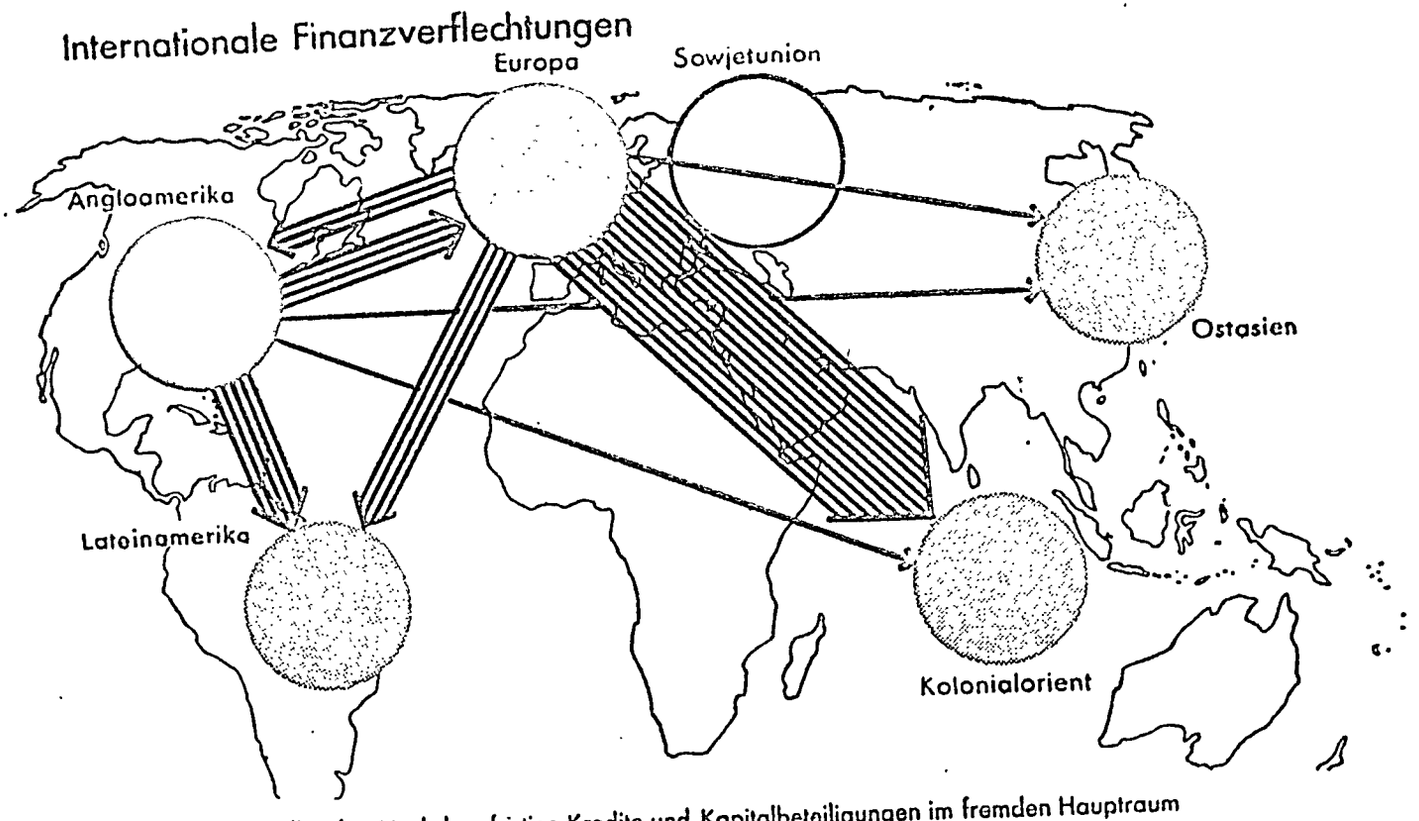
In ähnlicher Weise ist durch die geologische Situation, aber auch durch historische Vorbedingungen das Monokulturprinzip im Bergbau nahegelegt, sodass die grossen Kohlenvorkommen für die industrielle Stellung Europas und der Vereinigten Staaten massgebend bleiben könnten, bis neue Kohlenlager, von allem in Asien, erschlossen werden.

Heute steht die Sache so, dass eine Reihe von Interessen dieser internationalen Arbeitsteilung günstig wären. Auf der anderen Seite sind aber auch eine ganze Reihe bedeutsam entgegenwirkender Bestrebungen im Gange. Plantagen- und Agrarstaat zu sein, bedeutet in der kapitalistischen Wirtschaft, unterjocht zu sein durch die Industriestaaten und geringere Profitmöglichkeit zu haben. Es bedeutet einen niedrigeren Arbeitslohn. Befreiung von den Kolonial-Mutterländern erreicht man durch die Anlegung einer eigenen Industrie. Indien z.B. legt eine Textilindustrie an, obwohl in England viel damit vernichtet wird. Auf der einen Seite hätte man das grösste Interesse daran, hier z.B. Plantagen und dort Industriegebiete zu haben, aber die Interessen der Profitwirtschaft machen dies unmöglich. Uebrigens sind es oft dieselben Kapitalquellen, die beide Konkurrenten speisen. Die Sowjetunion kann aus politischen Gründen den Wirtschaftsplan nur autark durchführen. Die Schwierigkeit ist, die sozialen Schemata aufzubauen, die das alles klar zeigen. Sie werden verstehen, dass 40 Minuten ungenügend sind, um selbst bei Rationalisierung des Vortrags und Ergänzung durch Bilder dies ausreichend vorzubringen.

Auf der nächsten Seite folgt ein Bild der internationalen Finanzverflechtungen, damit Sie sehen, wie die heutige Naturalverflechtung sich darin spiegelt.

Ud. S. S. R. ist o h n e dauernde Kapitalverknüpfung; besonders bedeutsam ist die Verknüpfung Europas mit dem Kolonialorient. Die internationale Arbeitsteilung hat gerade in der Frühzeit der kapitalistischen Entwicklung durch die koloniale Unterwerfung einen mächtigen Anstoss erhalten. Die heutige Kapital-

PRODUKTIONSKAPAZITÄT DER WELT



Jede Linie 5 Milliarden Mark langfristige Kredite und Kapitalbeteiligungen im fremden Hauptraum

GESELLSCHAFTS- UND WIRTSCHAFTSMUSEUM IN WIEN

verflechtung der Welt ist zum Teil der Ausdruck für die Verknüpfungen der internationalen Arbeitsteilung, die sich daraus ergeben. Die Kapitalinvestitionen der Mutterländer in den südlichen Gebieten deuten freilich auch auf Autarkiebestrebungen hin. In wachsendem Umfang entstehen dort Industriebetriebe, die den Industriebetrieben der alten Kapitalzentren Konkurrenz machen. Wir sehen, dass Ostasien, das im Interesse der Lebenslagensteigerung in einer funktionellen Wirtschaft vielfacher Beziehungen bedürfte, heute erst mässig eingegliedert ist, während die Sowjet-Union durch Isolierung ihren planmässigen Wirtschaftsaufbau, der aus einer internationalen Arbeitsteilung herausfällt, gegen Krieg und Krise schützt. In der kapitalistischen Wirtschaft lässt sich in den Agrar- und Plantagengebieten nur durch neue Industrieunternehmungen immer neuer Pofit zu dem aus den Plantagen gewonnenen erwerben. Dazu kommt, dass insbesondere die Mechanisierung der Landwirtschaft durch Düngung, Traktor und Mähdrescher die Weltagrarkrise verschärft, der man durch Industrialisierung der Agrargebiete zu entgehen hofft. Je grösser die Fülle der Agrarprodukte, umso schärfer der Schutzzoll in den altagrarischen Industriegebieten, die ihre Bauern nicht zugrundegehen lassen wollen. Ja, gelegentlich agrarische Autarkieversuche typischer Industrieländer. (Zölle.) Als Antwort Zollabwehr (Boykott u.s.w.) in den Agrargebieten gegen die Industriegebiete und dadurch neuerliche Verschärfung der Weltindustriekrise, so das z.B. Brasilien die Maschineneinfuhr, insbesondere die Einfuhr von Textilmaschinen, durch Verordnung stoppt, um die Textilkrise nicht zu verschärfen. Ueberall ein circulus vitiosus, der die allgemeine Krise erzwingt, aber keine automatischen Abwehrerscheinungen.

Wie auch sonst: Widerspruch neben Widerspruch, internationale Arbeitsteilung neben verschärfter Autarkie. Auch in kleinen Räumen, innerhalb Europas, baut z.B. jeder der Nachfolgestaaten Oesterreich-Ungarns aus arbeitsteiligen Resten komplette Neuindustrien auf.

Ueberall Grossorganisationen zu planmässiger Profitsteigerung durch planmässige Produktionsbeschränkung und planmässige Beschränkung der Produktionskapazität, also durch planmässige

Senkung des Standards, ausser in der Sowjet-Union. Daneben Abriegelung kleiner Territorien gegeneinander. Auch die Arbeiterschaft kann in der kapitalistischen Ordnung daran interessiert sein. Die Beafsteakesser müssen heute die Reisesser als Schmutzkonkurrenten fürchten, daher: „Kein gelber Mann ins menschenleere Australien!"

In einer nicht auf Profit aufgebauten funktionellen Wirtschaft ist es für den Einzelmenschen gleichgültig, wo ein anderer arbeitet, wo dessen Betrieb sich befindet, so wie ihm innerhalb einer Fabrik der Standort einer Maschine gleichgültig ist, da er ausschliesslich durch Produktion und Arbeitsannehmlichkeit bestimmt wird. In der funktionellen Wirtschaft ist der Beafsteakesser froh, wenn es Reisesser gibt, für die man keine besondere Rinderzucht einrichten muss. Die gebundene funktionelle Wirtschaft ist der Mannigfaltigkeit und freien Beweglichkeit günstig, die freie Profitwirtschaft bedingt Unifikation und Lokalisation.

Die funktionelle Wirtschaft ist ein Riesenbetrieb, der alle Elektrizität z.B. aus einem oder wenigen Elektrizitätsseen schöpfen könnte, in die alle Elektrizität geleitet wird, so dass durch weitestgehenden Ausgleich eine Steigerung der Produktionskapazität erzielt würde. Freilich, Kriege sind dann unmöglich.

Wenn ich hier die Aufgabe habe, den Wirtschaftsplan zu besprechen, dann ist es mir verboten, Ausdrücke wie Kaufkraft, Rentabilität und dergleichen überhaupt anzuwenden. Ich darf nur sprechen von Produktionsmitteln, Produktionskapazität, u.s.w. Und nun fragt es sich, welche Wirtschaftsordnung sichert günstigere Lebenslagenverhältnisse? Stellen wir einander die schon erwähnten Typen gegenüber: Ob ich nun den Kapitalismus, den Sozialismus, den neuen Kapitalismus, die kapitalistische Planwirtschaft, die Sowjetwirtschaft oder eine andere analysiere, immer müssen konkrete Daten zugrunde gelegt werden, immer ein Schema!

Allzuleicht übersieht man wesentliche „Nebenerscheinungen", und bei mancher Reform will man allzuviel Altes mit Neuem verbinden. Viele möchten das Ei essen, aber es soll ganz bleiben.

Und das geht nun einmal nicht. Sie müssen sich überlegen, wie die verschiedenen Elemente eines Schemas in ihrer Konkretheit mit einander verbunden werden können. Das muss uns konkrete Statistik und Schema-Analyse zeigen. Jedenfalls: Eine funktionelle Weltwirtschaft auf Grund eines Weltwirtschaftsplans und internationaler Arbeitsteilung ist möglich.

Es ist klar, dass Mancher, wenn ich das alles über den Weltwirtschaftsplan und die internationale Arbeitsteilung sage, fragen wird: aber der Transport? In dieser Hinsicht haben wir Erfahrungen. In U. S. A. konnte man während des Krieges von etwa 50 Werften zu mehr als 400 gelangen. Nach dem Kriege wurde weitergebaut, auch Japan baute sehr, Deutschland suchte seine Verluste auszugleichen, Norwegen baute z.B. Tankschiffe, um teuren Tankfrachten zu entgehen. Und jetzt? 25 % aller Tonnage liegt auf oder läuft leer. Ein kurzer Ueberschlag zeigt, dass man mit dieser Leertonnage (wenn man rechnet, dass eine Tonne im Jahr einmal um die Erde laufen kann) jeder fünfköpfigen Familie des Kolonialorients eine Mehrzufuhr von 300 kg Industrieartikeln jährlich sichern könnte.

Nur ein paar Worte über die Ausnutzung der Weltkapazität im Groben. Innerhalb funktioneller Weltwirtschaft, deren gesellschaftliche Struktur wichtig ist, uns aber bei der Durchrechnung nicht interessiert, können die Industriegebiete Steigerungen der Produktionskapazität insbesondere in Gegenständen erreichen, deren Konsum keine so enge Grenze hat, wie etwa der Lebensmittelverbrauch. Die Kraftwagenproduktion der Welt konnte in 15 Jahren verzwölffacht werden. Ebenso die Produktion der Schallplatten. Die Elektrizitätsgewinnung ist in der gleichen Zeit verachtfacht worden. Eine gleichzeitige durchschnittliche Verfünffachung aller Produktionen ähnlicher Art innerhalb eines 15-jährigen Zeitraums ist zweifellos technisch möglich, wahrscheinlich sogar wesentlich mehr. Einen Teil dieser vergrösserten Kapazität wird man durch Kürzung der Arbeitszeit und Vermehrung der Konsumzeit aufbrauchen. Die Weltkapazität wird in den Industriegebieten wohl selten bis 80 % ausgenützt, oft sinkt die

Bau und Verluste der Welthandelsflotte
1912-14
1915-17
1918-20
1921-23
1924-26
1927-29
Jedes rote Schiff
1 Million Brutto-Registertonnen neugebaute Schiffe
Jedes schwarze Schiff
1 Million Brutto-Registertonnen zerstörte oder abgewrackte Schiffe

Ausnützung auf 50 % und weniger herunter. Aehnlich können wir die Produktionssteigerung der Monokulturen im Groben berechnen. Man bedenke: Produktionssteigerungen sind in grossem Ausmass möglich, besonders wenn man die Produktion spezialisiert. Kanada liefert ein Drittel, Holland ein Viertel des Weltmarktkäses. Man könnte ruhig drei oder vier Länder beauftragen, für den Käse der ganzen Welt zu sorgen - Holland würde bestimmt dabei sein!

Ich bin am Schluss meiner Ausführungen angelangt. Wenn man so die Weltwirtschaft betrachten und Weltwirtschaftspläne entwerfen wollte, würde man eines Forschungsinstitutes bedürfen, das solche Durchrechnungen ausführt. Ich glaube nicht, dass die Wirkung solcher Aufklärung übermässig gross ist, aber eine wichtige Wirkung übt sie aus. Sicher, wir müssen besondere statistische Methoden ausarbeiten, wir brauchen eine Universalstatistik; wir müssen einen grossen Teil der Arbeit durch gute Konjunkturalstatistik leisten. Eine gute Konjunkturalstatistik ist leistungsfähig: Gut geschätzt ist besser als schlecht gezählt! Aber ich möchte davor warnen, sich mit solchen statistischen Zusammenstellungen zu begnügen. Wichtig wäre dazu eine Statistik der Weltwirtschaftsverknüpfungen. Das führt uns zum Schema. Die Analyse der Schemata ist unerlässlich. Es hilft wenig zu sagen: „So viel wird produziert und so viel könnte man produzieren", wenn man nicht zeigt, wie der soziale Apparat funktionieren kann mit allen technischen Bedingungen, Maschinen, menschlichen Leistungen; wie ein kapitalistischer, ein sozialistischer oder sonst einer, wie eine Grossnaturalwirtschaft, eine funktionelle Wirtschaft mit Geldbudget. Alle Schemata können im Interessse einheitlicher Kritik in gleicher Weise analysiert werden. Eine derartige „vergleichende Schematologie" ist unerlässlich, wenn man ernsthaft die Frage des Wirtschaftsplanes behandeln will. Wir müssen auch ein internationales Lebenslagenrelief entwerfen. Dieses muss zeigen, wie die Lebenslagen der einzelnen Gruppen der Bevölkerung gelagert sind. Es genügt nicht, immer wieder Durchschnittsziffern zu liefern, nichts führt mehr irre als Durch-

schnittsziffern. Eine Wirtschaft, in der die eine Hälfte hungert und die andere Hälfte schlemmt, hat eventuell dieselben Durchschnittsziffern wie eine Wirtschaft, in der alle dasselbe bekommen. Wir brauchen eine konkrete Durchrechnung. Wir brauchen ein Schema, und wir brauchen ein Lebenslagenrelief. Das sind mögliche Aufgaben. Es wäre notwendig, die Produktionsstatistik, den Transport und das Lebenslagenrelief in das Schema einzubauen. Das sind die Forderungen der Wissenschaft; über die Forderungen der Lebensgestaltungen werden andere reden.

In den Zeiten und Ländern, da die Menschen für formale Dinge Sinn hatten, sind grosse Bildhauer entstanden, und wo schon kleine Kinder viel basteln, entstanden grosse Ingenieure. Die Periode der Gesellschaftstechniker beginnt, wo jeder einzelne Mensch Sinn haben wird für Wirtschaftsordnung und Gesellschaftsordnung. Soziale und wirtschaftliche Aufklärung in Wort und Bild wird eine grosse Aufgabe der neuen Zeit der bewussten Wirtschaftsgestaltung.

Aber ich will nicht unterlassen zu betonen, dass die hier angedeutete Analyse, die ich für sehr wichtig halte, eine grosse Gruppe von soziologisch-historischen Problemen unberührt lässt. Welche Ordnung wird kommen und auf welchem Wege? Wie lange wird die Masse der Menschen es dulden zu hungern, während Getreide-Ueberfluss herrscht? Wird das überall nur mit Gewalt geändert werden? Wie länge noch wird es Menschen geben, die in der Sonne leben neben anderen, die im Schatten leben? Die Weltgeschichte gibt sehr pessimistische Auskünfte. Es scheint, dass entscheidende soziale Wandlungen in den meisten Ländern nicht auf dem Wege der Verständigung vor sich gehen. Es hat aber keinen Sinn, hier vorher pessimistisch zu sein: das ist sicher nicht die Aufgabe dieses Kongresses. Wir sind nicht hier zusammengekommen, um die Probleme zu erörtern, die für uns als Menschen der Tat ausschlaggebend sind, und zu besprechen, was jeder von uns tut, wenn er weiss, dass Millionen hungern. Da sind die Anwesenden in verschiedenen Lagern zu

finden. Aber neben diesem meist sehr umstrittenen Gebiet, das zu emotionellem Verhalten Anlass gibt, gibt es die Analyse der Wirtschaftsordnung, der Relationen zwischen Produktionskapazität und Lebenslagenrelief (mit Arbeitslosigkeit, Konsumverteilung u.s.w.). So gibt es für uns eine gemeinsame Plattform, und das grosse Verdienst dieses Kongresses und seiner Veranstalter beruht darauf, diese Platform gesucht zu haben, die uns die Möglichkeit gibt, Klarheit über gewisse Zusammenhänge zu schaffen, über Wirtschaftsplan und Wirtschaftsrechnung. Aber volle Bedeutung für Lebensgestaltung und Lebensordnung gewinnt all das erst im Rahmen historischer Fragestellung, die hier vermieden wird.

Die organisatorische Fragestellung ist am geeignetsten sich menschlich-verständig zu unterhalten und nicht emotionell zu werden. Darauf verzichten wir hier alle ganz bewusst. Ich halte eine so eingeengte wissenschaftliche Arbeit bei solcher Gelegenheit nicht für ein Kompromiss, wenn man sich dessen bewusst ist, und ich bin der Ansicht, dass jede Klärung, wenn sie gewissenhaft und ernsthaft ausgeführt wird, direkt oder indirekt ein Dienst ist an der Menschheit.

AUF EINE REIHE VON BEMERKUNGEN HIN GAB Dr. NEURATH EINIGE ERGAENZUNGEN:

Der Krieg wirkt kapitalistisch anregender als eine blosse Vernichtung konsumreifer Waren. Die Waffen, die Geschosse, die Flugzeuge, Schiffe u.s.w. sind keine Marktwaren, ihre Mehrproduktion senkt nicht den Preis. Ihre Zerstörung entlastet nicht einen überfüllten Markt wie die Zerstörung von Kaffee, sondern regt vermehrte Produktion an. Man müsste das Problem Krieg, Arbeitslosigkeit, Krise, Produktionskapazität zusammen behandeln, wenn man die Frage beantworten will, wie die heutigen sozialen Leiden ein Ende finden werden. Aber das führt in das Gebiet umfassender soziologisch-historischer Probleme, die kein geeigneter Gegenstand für eine Diskussion in diesem Rahmen sind.

Die Fragen, wie eine krisenfreie, kriegsfreie funktionelle Wirtschaftsordnung historisch möglich sei, wird hier gar nicht behandelt, sondern nur die Spannung zwischen Produktions-

kapazität und Lebenslage einerseits, zwischen möglicher und faktischer Produktionskapazität andererseits, wie man imstande ist durch Naturalrechnung eine Vergleichsbasis für kapitalistische und nichtkapitalistische (funktionelle, sozialistische) Ordnungen zu gewinnen.

Wenn ich von Naturalrechnung spreche, meine ich eine Form des Kalküls, der auf jede reale Ordnung anwendbar ist. Man kann eine kapitalistische Geldwirtschaft im Naturalkalkül darstellen, indem man zeigt, durch welche Mengen an Lebensbodenelementen welche Mengen an Lebenslagenelementen erzeugt werden. Demgegenüber kann man z.B. die Lebenslagenleistung einer „funktionellen Wirtschaft" untersuchen. Das sind wissenschaftliche Untersuchungsmethoden quantitativer Art.

Wenn ich von einer Wirtschaftsleitung auf Grund eines Wirtschaftsplans spreche, so meine ich eine funktionelle Wirtschaft, in der die Lebensbodenelemente durch unmittelbare konkrete Eingriffe in Lebenslagenelemente verwandelt werden, die in ihrer Konkretheit den Menschen zugeführt, ihre Lebenslage, Nahrung, Wohnung, Kleidung, Konsumzeit, Morbidität, Mortalität ändern. Die Wege der Rohprodukte, der Fertigfabrikate sind aufzuzeigen.

Noch immer kann ich unbestimmt lassen, welche Einrichtungen diese Bewegungen in die Wege leiten, ob dies der „Staat" ist, der aber selbst eine Zusammenfassung von Individuen in bestimmter Anordnung ist, nicht etwas, das als „dritter Partner" zu zwei Streitenden hinzukommt, oder ob dies eine ausserstaatliche Organisation, ob dies Verbände, Kommunen oder andere Organisationen sind. Ich kann aber auch innerhalb näher anzugebender Bedingungsgrenzen wissenschaftlich untersuchen, wie gesellschaftstechnisch solche Organisationen funktionieren können, die in ihrer verschiedenen Organisationsweise verschiedene Hemmungen u.s.w. aufweisen. Diese Betrachtung ist am ähnlichsten der, die wir aus der wissenschaftlichen Betriebsführung her kennen.

Schliesslich kann man auch historisch soziologische Untersuchungen darüber anstellen, wie die einzelnen vor-

handenen konkreten Machtfaktoren unserer Zeit, wie Bankleute, Unternehmer, Ingenieure, Gelehrte, Aertzte, Arbeiter, Angestellte u.s.w. sich in den einzelnen Ländern verhalten dürften. Wenn auch die grossen geschichtlichen Veränderungen im Ganzen ähnlicher Art sein dürften, kann doch die Aenderung selbst an einer Stelle durch Gewalt vor sich gehen, an anderer auf dem Boden politischer Verständigung; all dies ist bis zu einem gewissen Grad wissenschaftlich erforschbar. Aber die Voraussetzungen dieser Forschung sind andere, als die für die vorher besprochenen Betrachtungen. Hier kommen auch die emotionellen Verhaltungsweisen mehr zu Wort. Nicht nur in dem was man unmittelbar tut oder unterlässt, sondern oft auch in dem, was man einsieht, zugibt oder bestreitet.

Von grösster Wichtigkeit ist die logische Analyse der verschiedenen Möglichkeiten. Allzuoft hören wir von Vorschlägen, die Veränderungen einzelner Elemente: Zins, Lohn, Gewinn u.s.w. betreffen, ohne dass nachgerechnet wird, wie das alles auf die Preisbildung, Profitbildung und damit auf die gesamte Wirtschaftslage einwirkt. Die Analyse der Schemata ist unerlässlich. Dann vermag man auch die vielen Teilplanungen, die angeregt wurden, nicht etwa nur als unerwünscht, sondern auch als logisch nicht einwandfrei nachzuweisen. Es ist so, dass die Marktwirtschaft durch Teileingriffe eher noch verschlimmert wird.

Das Arbeitsgebiet des Kongresses ist das organisatorische: von der Verbesserung der Lage der Arbeite über verbesserte Betriebsführung zur Gesamtwirtschaft als Bedingung besserer Lebenslagenverhältnisse und darüber hinaus zur historischen Problemstellung, die den langen Weg der Menschheit untersucht, innerhalb dessen die Umwandlung der kapitalistischen Ordnung in eine neue Ordnung als besonderer Abschnitt auftritt.

Man spricht viel vom Hineinwachsen der alten in die neue Ordnung, wobei man übersieht, dass die einzelnen kapitalistischen Betriebe innerhalb der vorkapitalistischen Ordnung in Verbindung mit dem längst entwickelten Handel sich eindrängen konnten, während es sich diesmal darum handelt, Einzelgebilde planmässig zu verbinden. Der Gesamtplan ist nicht eine Summe von Teilplänen, die sich nachträglich zusammenfügen lassen.

Ohne wissenschaftliche Erforschung des gesamten Fragenkomplexes des Wirtschaftsplanes auf Grund einer Naturalrechnung und der Analyse des Schemata ist eine ausreichende Klärung nicht zu erwarten.

Zeigt solche Forschung, wie ein Wirtschaftsplan zu bearbeiten ist, wie man die Naturalrechnung zu diesem Zweck verwenden kann, so bedeutet das nicht, dass man die historische Bedeutung der Naturalrechnung für die Gegenwart überschätzen muss.

Ich bin keineswegs der Meinung, es werde dadurch, dass man innerhalb der kapitalistischen Wirtschaft etwas in Naturalrechnung umrechnet, etwas „erreicht" ausser der kritischen Beleuchtung. Wenn man in der Geldrechnung von einer Zunahme der Produktion in Geld spricht, dann weiss ich nicht, ob auch eine Zunahme in Natura vorhanden ist, denn eine Steigerung der Geldsummen kann einen Rückgang der Produktion bedeuten. Will ich die jetzige Ordnung kritisch betrachten, dann muss ich mit Grundflächen der Aecker, mit Maschinen, Kohle, Brot u.s.w. rechnen.

Ich bin andererseits zwar der Meinung, dass in Rusland die Verwendung der kommerziellen Rentabilitätsberechnung in den einzelnen Betrieben gelegentlich dazu führen kann, eine an sich sinnvolle Verbesserung zu unterlassen oder umgekehrt dazu, an anderen Stellen Rohstoffe, die man sparen müsste, zu verbrauchen, weil sie einen niedrigeren Preis haben. Wesentliche Schädigungen können aber in Sowjet-Russland kaum eintreten, weil es dort z.B ausgeschlossen ist, dass man Gegenstände vernichtet, damit die Rubelsummen stimmen: nur im einzelnen können Verschiebungen in ungünstiger Richtung dadurch vorkommen, dass man die Rentabilitätsberechnung anwendet. Dabei mag in der jetzigen historischen Situation diese Art Geldrechnung und Gewinnrechnung unvermeidlich sein. Die historische Ueberwindung des Generalnenners ist wahrscheinlich erst auf einer wesentlich späteren Entwicklungsstufe möglich. Aber diese historische Einsicht, die uns vor utopistischer Ueberschätzung von Ideen warnen mag, ändert nichts daran, dass eine

geschlossene Theorie des Generalnenners zeigt, wie die Geldrechnung nicht Grundlage von einwandfreien Rationalisierungsmassnahmen sein kann. Die Mängel der Geldrechnung wären wie andere Reibungserscheinungen der Aufbauzeit anzusehen. Wir müssten uns hinsetzen und russische Rechnungen durchnehmen, um zuzusehen, wie weit die Naturalrechnung dieselben Resultate gibt wie die jetzige soziale Rentabilitätsberechnung. Die Verschiedenheiten werden nicht ausschlaggebend sein und gefährden den russischen Wirtschaftsplan nicht.

Das sind alles organisatorische Problemstellungen, Fragen des Kalküls. Wenn auch die Fragen der historischen Verwirklichnung des Weltwirtschaftsplans nicht zur Debatte stehen, so ist doch das Interesse hierfür so gross, dass ein paar Andeutungen am Platz sind.

Kann man feststellen wie eine Weltwirtschaftsorganisation maximalen Ertrag liefert, so folgt daraus nicht, dass diese Organisation historisch möglich ist, ja es kann sein, dass zunächst einzelne Grosswirtschaftsräume Pläne verwirklichen (z.B. UdSSR) und dadurch die Voraussetzungen für die Zukunft fundamental ändern. Der Weg zum Weltwirtschaftsplan geht möglicherweise über Zerstörung schon vorhandener Verknüpfungen, über Qual und Leiden.

Grosse soziale Umwälzungen könnten so vor sich gehen, dass die Menschen begreifen: es kommt eine neue Zeit, man muss sich nun zusammensetzen und besprechen, wie man die neue Ordnung mit kleinster Unlust vorbereiten kann. Das ist eine sehr vernünftige Methode. Aber in der Weltgeschichte ist sie nicht üblich! Wenn die Menschen eine neue Ordnung einführen, haben sie bisher die Gewohnheit gehabt, sich erst in grösserer Menge gegenseitig umzubringen.

Das meiste wird auf einem entsetzlichen Umweg über Grauen und Elend errungen. All zu viel hat sich z.B. durch den Weltkrieg nicht geändert, und doch hat es Millionen Tote gegeben Das ist nicht oekonomisch und nicht rationell, vom Standpunkt der vernünftigen Betriebsführung aus, wenn wir von der Unmenschlichkeit und der Roheit schweigen. Die grosse französische Revolution hat die Umgestaltung der früheren merkantili-

stischen, der früheren feudalen und absolutistischen Wirtschaft in die moderne kapitalistische Unternehmerwirtschaft durchführen helfen. In Frankreich ist das unter grossem Blutvergiessen vor sich gegangen. Ob die Menschen jetzt viel anders sind? Dieser Kongress ist zum Teil ein Ausfluss der Tatsache, dass die Zahl der Menschen, die sich zur rechten Zeit überlegen, wie man solche Aenderungen ohne diese schrecklichen Dinge durchführen kann, grösser wird. Vor der Französischen Revolution haben solche Kongresse nicht stattgefunden. Aber fragt man nach der Chance, dass die kommenden Aenderungen sich ohne solche Schrecknisse vollziehen werden, dann muss man sagen, sie ist nicht gross. Dass die bevorstehenden Umwälzungen sozialer Art wenigstens in manchen Ländern weniger Leiden verursachen werden als die Französische Revolution, können wir mindestens für möglich halten, da immerhin einige Ansätze zu ruhiger Vorüberlegung da sind. Wie weit man auf Grund historisch-politischer Analyse diese Voraussage vertreten kann, ist eine zweite Frage, über die man einen ganzen Kongress abhalten könnte, der aber wahrscheinlich nicht in dieser Form möglich wäre. Man müsste dann die unmittelbaren Machtpositionen besprechen, z.B. die Interessen der Munitionsfabrikanten, der Kanonenfabrikanten, der Schwerindustrie und der ganzen Rüstungsindustrie am Kriege, abgesehen von den Interessen der grossen Klassen (Unternehmer, Banken, Bauern, Arbeiter und Angestellte u.s.w.).

Die Organisationsänderungen hängen in der Praxis mit den sozialen und historischen Aenderungen sehr eng zusammen. Ich persönlich kann mich nicht auf die Seite derer stellen, die glauben, die Eier essen zu können ohne sie zu zerbrechen. Im allgemeinen werden grosse ökonomisch-organisatorische Umwälzungen, wenn nicht gewalttätig, doch jedenfalls mit eingreifenden Aenderungen verbunden sein. Das allmähliche „Hineinwachsen" in eine planmässige Organisation kommt wohl nicht in Frage; gerade deshalb muss ja das Verständnis für bewusste Planung gefördert werden, wie wir es hier anstreben.

Man kann nicht einfach in Industrie- und Bankenmonopolen solche beginnende Planwirtschaft sehn. Sie hemmen planmässig

Produktion und Verbrauch und sind nur organisatorische Vorübungen der Zukunft.

Eine Art Banktrust oder Zentralbank soll nach Anschauung mancher die Wirtschaft leiten können. Genauere Analyse zeigt, dass ein solcher Apparat nicht den gewünschten Erfolg hätte; ich bin überhaupt nicht der Meinung, dass die Krisen innerhalb des bestehenden Wirtschaftssystems beseitigt werden könnten; die Krisen sind mit unserer Wirtschaft so eng verbunden, dass man immer Krisen erzeugen wird, ob man das eine macht oder das andere, ob man hohe Löhne zahlt oder niedrige, Schutzzölle oder Freihandel einführt u.s.w.

Wenn einer auf einem Pulverfass sitzt und seine brennende Zigarette links in das Pulverfass wirft, dann wird er selbstverständlich in die Luft fliegen. Nun wird mancher auf Grund dieser Erfahrung den Rat geben, niemals die Zigarette links in das Pulverfass zu werfen, aber wenn man sie rechts in das Pulverfass wirft, wird er ebenso in die Luft fliegen. Links nicht - rechts nicht, also was tun? Man rauche nicht auf einem Pulverfass! Es ist notwendig, theoretisch analysierend zu zeigen, dass im bestehenden System, ob man das eine oder das andere macht, immer Krisen eintreten werden; für diese Untersuchung ist aber auf diesem Kongress keine Gelegenheit.

Gewiss, innerhalb unserer Ordnung sind die Krisen nicht überwindbar. Aber man kann durch weitgehende konkrete Eingriffe in den Produktions- und Verteilungsprozess vieles erreichen, auch wenn man Bank- und Geldwesen formell weiterbestehen lässt, wie ja auch sonst in der Gesellschaft grundlegende Umformungen oft hinter alter Fasade erfolgen; aber ohne solche reale tiefgehende Umgestaltung, gleichgiltig wie maskiert, ist nichts zu erreichen. Dass man Produktion und Konsum unmittelbar bestimmen kann, zeigen die Erfahrungen der Kriegswirtschaft. Man war imstande, den Apparat so aufzubauen, dass der Realbedarf - in diesem Fall handelte es sich um die Uniformen, die Kanonen und die Lebensmittel für die Armee und für die Bevölkerung - durch zentrale

Führung gedeckt werden konnte. Die Zentralgewalt sagt: Du wirst nicht Nähmaschinen erzeugen, sondern Granaten, nicht Flachs, sondern Oel. Es ist prinzipiell möglich, dass man den Apparat unmittelbar und zentral in der Hand hat, um die Produktion und den Konsum zu beherrschen und ihm dennoch nebenbei - wie man das im Kriege gemacht hat - mit dem Schleier der Geld und Kreditordnung überzieht. Im Kriege bestimmte die Regierung: dieser Trust hat soviel zu produzieren, soviel von dem Produkt ist für die Armee, soviel für diese, soviel für jene Stadt oder Bevölkerungsgruppe u.s.w. bestimmt. Ausserdem hat man dann noch nebenbei alles so eingerichtet - obwohl das gar nicht für die Produktion als Anreiz nötig gewesen wäre - dass eine Dividende für die Aktionäre herauskommt. Das kann man natürlich tun, aber eine wirkliche Geld- und Kreditwirtschaft ist es dann nicht mehr, denn für die Geld- und Kreditwirtschaft ist kennzeichnend, dass durch die Gelderträge die Produktion bestimmt wird. In der Kriegswirtschaft - einer in vielen Stücken funktionellen Wirtschaft - ist dagegen die Regelung der Produktion und des Konsums primär, sekundär ist daran geknüpft ein Geldsystem mit seinen Erträgen.

Wir befinden uns in einer ungeheuren Weltkrise, die wir überwinden möchten. Wie sieht aber heutzutage die Liquidierung einer Krise aus? In den guten alten kapitalistischen Zeiten des „laissez faire" machte man es so: Wenn eine Unternehmung nicht mehr zahlen konnte, machte sie Konkurs; wenn eine Bank nicht zahlte, machte sie Konkurs; dann war die Sache erledigt und man konnte wieder von neuem anfangen. Wenn früher ein Unternehmen, das um 100000 Mark gegründet war, jährlich 2000 Mark trug und 10000 Mark Schulden machen musste, dann machte es eben Konkurs, wurde es um - sagen wir - 20000 Mark versteigert, dann warene 2000 Mark eine erfreuliche 10%ige Verzinsung. Jetzt wird das Unternehmen oft aus öffentlichen Mitteln unterstützt, mit dem Resultat, dass die Krise statt eines halben Jahres drei Jahre und länger dauert. Ich will damit nicht sagen, man solle alles einfach zusammenbrechen lassen, aber ich will damit sagen, dass die gegenwärtige Methode

des teilweisen Eingreifens der Regierungen nicht dazu beiträgt, die Krise zu verkürzen oder sie zu lösen, sondern zu verlängern. Es kommt jetzt sogar nicht einmal mehr zu einer ordentlichen Krisenliquidation mit einem ordentlichen Bankrott und allem abschliessenden Jammer. Ich sage nicht, dass ich letzteres für schön halte; ich habe nur die Tatsachen festzustellen. Innerhalb der herschenden Ordnung hat man nur die Wahl zwischen einer kurzen Katastrophe voll des Grauens oder einem langwierigen Siechtum, ebenfalls voll des Grauens. Früher wurden Krisen durch Konkurse gelöst, während man jetzt Banken und Unternehmungen die Möglichkeit lässt, in günstigen Zeiten Gewinn zu erzielen, während die Gesamtheit zahlen muss, wenn sie Verluste haben.

Manche sprechen so, als ob alles darauf ankäme, dass die Banken ihre Arbeit glatt verrichten können, die Kurse stabil bleiben, die Zahlungen sich geordnet abwickeln, ohne festzustellen, ob das reibungslose Funktionieren des Geld und Kreditapparates ein Maximum an Lebenslage liefere. Das ist der Prüfstein! Es könnte eine ständig verarmende Wirtschaft mit brachliegenden Kräften durch lange Zeit eine geordnete Finanzwirtschaft haben, die Dividenden, Zinsen u.s.w. liefert, während sie gleichzeitig eine industrielle Reservearmee und Not kennt. Es besteht doch kein unmittelbarer Zusammenhang zwischen einer guten Zirkulation des Goldstroms und der guten Versorgung der Konsumenten!

Die Wirtschaft wird der geschulte Betriebsingenieur als Maschine auffassen, die Lebenslage produziert. Die Konsumenten sind die letzten Nutzniesser der Maschine: „Wirtschaft". Die Monopolverkäufer, die Kaffee, Baumwolle u.s.w. vernichten, sind hier zur Debatte gestanden, von den Grossorganisationen der Produzenten, der Finanzleute haben wir gesprochen, ich vermisse aber auf diesem Kongress die Grossorganisation der Konsumenten, die als Glied einer Verbandswirtschaft eine wichtige Rolle spielen kann. Wenn die Grossorganisation der Produzenten mit der Grossorganisation der Konsumenten verhandeln könnten, wird möglicherweise eine der Paradoxien

unserer Ordung, dass eine grössere Menge einen kleineren Gesamterlös liefert als eine kleinere Menge, vermieden. Es bleiben dann noch genug Paradoxien übrig.

Aber die theoretische Bedeutung, die eine Gesamtorganisation der Konsumenten haben könnte, darf nicht historisch gedeutet werden. Ganz andere Faktoren, die grossen mit einander kämpfenden Machtgruppen, bewegen die eigentliche Entwicklung. Die verschiedenen Auswege, die innerhalb unserer Ordnung gezeigt werden, sind ungangbar. Was wird geschehen?

Auch wir sitzen jetzt rauchend auf einem Pulverfasse, und es kann sein, dass es von beiden Seiten in die Luft geht.

DISCUSSION BY Dr. F. C. BENHAM, London School of Economics and Political Science.

In the short time at my disposal, I shall not of course attempt to go over what you have already read in the various reports. I shall only try to touch upon one or two interesting points that have been raised in these addresses.

The reports themselves cover, as you know, a period of 20 years but naturally, our interest at the moment, centers on the great depression in which nearly every country finds itself (Russia and to some extent such countries as France excluded).

There are 5 million or so unemployed in Germany - over 2½ million in England - in Australia, over a quarter of the population is out of work - and we naturally ask ourselves how we can escape from such a situation and prevent its recurring.

Dr. Lazard gave a very excellent analysis of the causes of the present depression. There are some people who think that the chief causes are monetary. I am not of that opinion. If you will consult the figures I think you will find there is no ground for saying there is a scarcity of gold of such magnitude as to account for the present depression, and although the mal-distribution of the monetary gold stocks (concentrated largely in the U. S. A. and France) has undoubtedly aggravated the depression, yet it is, I think, only an aggravation, because after all, we find the economic position in the United States, where there is plenty of gold, just as serious as anywhere else.

I think the real reason is that pointed out by Dr. Max Lazard: a lack of well-adjusted production. We live in a changing world. As time goes on, consumers' tastes and methods of production change. We have had technical improvements in all branches of production - rubber, sugar, tea, coffee, wheat, etc. We need to adapt our economic organization to these changes and we need to look ahead to meet the changes that are coming in order to prevent such a situation as that in which we find ourselves - a situation in which our productive capacity has enormously increased during the last few years - while a large proportion of people, willing and able to work, are unemployed. In the realms of science and technology, we can arrange great schemes, down to the minutest details, but in realms

of economic organization we seem (on the surface) to be unable to manage our affairs with a tolerable degree of success.

In this situation there are one or two points which I should like to make which are a little controversial.

I was very pleased when Miss van Kleeck said that the greatest aim we want to achieve is raising the standard of living. I think it is very important to keep this aim in the foreground, that is, to increase as far as possible the standard of living, with all that it implies - to give people an opportunity to live fuller and better lives.

But what follows from that?

The standard of living must depend in the long run upon production. Everything that we have to eat and wear and enjoy, is produced. For a time a country can live partly on borrowed capital - Australia and Germany have done it recently - but in the long run the standard of living does depend upon production and therefore the weight of economic progress (which will make possible other and fuller kinds of progress) lies through increased production.

In those circumstances we must remember that employment is not an end in itself. If we could manage to give everyone a high standard of living and work only four hours a day or four days a week, so much the better. The object is to do away with the disagreable, dirty tasks of the world in order to give people a fuller life, and therefore I say that it must be wrong to object to what is sometimes called rationalisation, to object to the installation of better machinery and to improved methods because it is feared that for a time they may cause unemployment.

If you carried that line of argument a little further, if besides suggesting that coal-cutting machines should not be employed in mines because they may cause unemployment, you suggested that coal should be dug out with forks and spoons because the work would be slower and would not cause unemployment, the absurdities of this reasoning would become at once apparent. Yet when it comes to practical questions of whether we shall agree to "rationalisation" and better methods or not, we still find people opposed to doing so.

That is one point I should like to make. I pass to the second. This Congress is going to discuss planning. It certainly seems that in the absence of any world planning, we have drifted into a rather silly state of affairs. It does seem on the surface as if some kind of different organization, a new constructive effort, is urgently desired.

Yet I would like to point out this: Laisser-faire means a number of things and some of the things that it means are quite discredited and gone. For example, laisser-faire, as we know, led to very bad working conditions in factories. That has disappeared in more modern countries, and I hope for ever.

Again laisser-faire in the sense that business should be run only by private people has gone. It has been estimated that over half of all large scale undertakings (measured by the capital involved) in Great Britain are operated by public or semi-public authorities. It is too late to discuss whether we want "socialism" in that sense. It is here. Laisser-faire in the sense of leaving business entirely to private people has gone. But the sense of laisser-faire for which economists plead is a different thing - it is the sense of leaving the price mechanism free to register on the one hand changing needs of consumers and on the other hand the changing obstacles in the way of getting things produced; leaving the price-mechanism free so that prices can act on the one hand as indications to producers of the changing demands of the public and on the other hand as indications to consumers of the lines in which greater progress is being made and in which it is therefore possible to expend a bigger proportion of their income.

In this sense laisser-faire has not had a chance during the last few years. It is no good saying laisser-faire has failed; it has not been tried. We have seen in every country cartels, combines, tariffs, subsidies, quotas, etc., and as we look at the last few years, we can see all these things have helped to make the depression almost inevitable. Different industrial combinations have restricted production instead of increasing it. Maintaining artificial prices for a time has led to a worse collapse in the end. Laisser-faire in the sense of leaving the price mechanism alone has not had a chance.

I ask you to remember that: for to restore it may be a better alternative than "Planwirtschaft".
I would like to conclude by saying that whether this Congress does result in producing detailed conclusions or not, I think that it will be well worth while if it simply makes us all, coming from different countries and organizations, feel that the world is a unit, that what happens in the rest of the world does affect Europe, that what happens in Europe affects the rest of the world, that the world is linked together, that countries are bound closely together by trade, migration, capital, etc., and in order to help the world as a whole, it is necessary for the countries of the world to forget their false national patriotism, not to insist too much upon absolute sovereignty, but to come together in order to seek a better means of arranging the affairs of the world internationally as a whole.

DISKUSSION VON PROF. Dr. ROBERT WILBRANDT, Technische Hochschule, Dresden.

Der Kongress geht aus - und es ist daher sein Thema des ersten Tages - von dem Gegensatz zwischen Fortschritt und Armut, demselben Thema, das der grosse Amerikaner Henry George als Titel seines Buches gewählt hat, worin er auf seine Weise das Thema behandelt. Ich darf das Thema illustrieren durch das Beispiel Deutschlands, indem ich zeige wie in diesem Lande sowohl der Fortschritt Armut hervorgerufen hat wie auch in dem Sinne, dass störende Umstände hinzutreten, wodurch der Fortschritt sich nicht auswirken konnte wie er sollte.
Dr. Neurath hat in wirkungsvoller Weise gezeigt, wie die heutige Gesellschaft tatsächlich von den ihr zuteil gewordenen Produktionsmöglichkeiten keinen vollen Gebrauch machen kann, und wie daher das Paradox auftritt: Arbeitsersparnis und Steigerung der Produktivität der Arbeit einerseits und Steigerung der Arbeitslosigkeit andrerseits. Ob aber dies ein Paradox sei, ist heute Morgen schon von sehr berufenem Munde bezweifelt worden. In unsrer Gesellschaft, wie in jeder anderen, muss auf die Dauer und im grossen und ganzen eine grössere Möglichkeit der Bedarfsbefriedigung vorliegen, wenn ein solcher Fortschritt einsetzt; aber im einzelnen, in den Zwischengliedern, kann

der Fortschritt sich gar nicht anders durchsetzen als indem diejenigen, die produzieren, darin bedroht werden.

Das ist nichts Neues. Im 17. und im 18. Jahrhundert ist von Reichs wegen in Deutschland der kunstvolle Band- und Webstuhl öffentlich verbrannt worden, weil man wusste er würde sonst die Handweber existenzlos machen. Als der Fortschritt befreit war, hat der mechanische Webstuhl - wie Marx es ausdrückt - die Handweber erschlagen; Millionen sind daran zugrunde gegangen. Der technische Fortschritt wirkt einerseits als Unterbieter, so dass er Einnahmen und Kaufkraft nimmt. Er führt andererseits, wo zu seiner Durchführung die Massenproduktion günstig ist, zur Ueberproduktion.

Das ist eine allgemeine Tatsache. So wirkt der technische Fortschritt in unserer Gesellschaft, in der kapitalistischen Gesellschaft, ja in der Tauschgesellschaft überhaupt auf Schädigung der Einzelunternehmer im Augenblick, während die Arbeitnehmer erst recht ihre Stelle verlieren.

Die Einzelhandelspreise oder Kleinhandelspreise folgen keineswegs rasch der Möglichkeit herabzugehen gemäss herabgehenden Produktionskosten. Im Gegenteil, sie stellen sich dagegen und neuerdings sind die Kartelle von der Wirkung begleitet, dass man es vorziehen kann, die Preise hochzuhalten durch Einschränkung der Produktion. Beides bewirkt, dass die Voraussetzungen der alten Kompensationstheorie heute nur noch sehr, sehr wenig anwendbar sind. Damit bin ich nun bei Deutschland, wo diese Erscheinungen ganz besonders hervortreten, denn wir sind ja leider das Land der Kartelle.

In Deutschland ist die erste Ursache der heutigen Massenarbeitslosigkeit eben diese gewesen, die ich in grossen Zügen bereits angedeutet habe. In 1927 hatten wir mit Hilfe von Auslandsanleihen einen Rationalisierungs-Aufschwung. Es folgten darauf die Jahre 1928 und 1929 mit je 1.000.000 Arbeitsloser selbst im Sommer, also in der günstigsten Zeit. Das war der Anfang, der natürlich weitere Arbeitslosigkeit nach sich zog. Sie ist eine ansteckende Krankheit. Jeder Arbeitslose hat verringte Kaufkraft, dadurch werden wieder weniger Produkte umgesetzt und so breitet sich die Arbeitslosigkeit aus. Im Jahre 1930 ist dann ein weiterer stöhrender Umstand von innen her

hinzugetreten: die Reichs-, Staats-, Gemeinde-Finanzen brachen zusammen. Aus diesen Finanzen war das Bauwesen in hohem Masse mit öffentlichen Mitteln unterstützt worden. Das hörte auf, das wurde eingeschränkt im Jahre 1930 und weiter im Jahre 1931. Ich will nur zwei Zahlen nennen: Im Jahre 1929 sind in Deutschland 9 Milliarden Mark verbaut worden, teils aus öffentlichen, teils aus privaten Mitteln, für Tief- Hoch- und Strassenbau, alles zusammen. Im laufenden Jahre werden es kaum noch 5 Milliarden Mark sein. Das ist die Auswirkung des Zusammenbruchs der öffentlichen Finanzen. Daraus können Sie ablesen, welche Arbeitslosigkeit im Baugewerbe entstehen musste, das als Schlüsselgewerbe Arbeitslosigkeit in andren Gewerben mit sich bringt, und auch mit sich bringt, dass die Textilindustrie, Konfektion u.s.w. einen Absatz findet. Woher kommt das? Auch das kommt vom Zusammenbruch der öffentlichen Finanzen. Und woher kommt dieser?

Herr Dr. Lazard hat die Freundlichkeit gehabt anzuerkennen, dass ich dafür in meinem Bericht verschiedene Ursachen angegeben habe. Natürlich wirken zusammen der Rückgang der Einnahmen infolge der Krise: Verringerung der Steuereinnahmen und der Einnahmen der öffentlichen Betriebe, wie die Reichsbahn, und Erhöhung der Ausgaben für die Arbeitslosen, die aus öffentlichen Mitteln unterstützt werden, und für die Erhöhung der Gehälter für die Beamten, die vor einigen Jahren beschlossen war, und die Reparationen, die ich an letzter Stelle nenne, aber eine grössere Belastung bedeuten als die Beamtengehälter und Pensionen. Sie können daher sagen: ein Teil der Arbeitslosigkeit beruht auf den Gehältern der Beamten, aber zu gleicher Zeit auf den Schwierigkeiten, die die Reparationen bewirken.

Endlich ist im Jahre 1931 eine weitere Ursache hinzugetreten: die Weltwirtschaftskrise, die erst nur in Deutschland als Rückgang des Exportes sich ausgewirkt hat. Damit sind Riesenanlagen, für einen gewaltigen Export eingerichtet, die bei der Rationalisierung geschaffen worden sind, unausnutzbar geworden. Zugleich ist eine neue Massenarbeitslosigkeit entstanden. Und in den letzten Wochen nun noch die bekannten Vorgänge. Ich erwähne nur die Diskontoerhöhung der Reichsbank, die theoretisch gesprochen eine Deflation ist. Das wirkt sich in der Ar-

beitslosigkeit im Juli und vor allem im August sichtbar aus, hat aber eine grössere Bedeutung als die kleine Zahlerhöhung im laufenden Monat, denn hier liegt eine Fessel, die uns darin hindert, die Arbeitslosigkeit zu beseitigen.

Um das zu zeigen, muss ich etwas weiter ausholen. Sie gestatten mir, ein Wort über die deutsche Zahlungsbilanz zu sagen. Da komme ich vor allem auf die Reparationen: diese, die wir in fremder Währung zahlen müssen, betragen in deutschem Gelde etwa R.M. 1.8 Milliarden. So gross muss also auch der deutsche Ausfuhrüberschuss sein. Wir hatten aber lange keinen Ausfuhrüberschuss, sondern eine passive Handelsbilanz. Aus diesem Grunde mussten wir ausländische Anleihen aufnehmen, um dieses Loch zu stopfen. Wir haben Auslandsanleihen auch aufgenommen um die Reparationen zahlen zu können. Und ich habe den dritten Punkt, die Rationalisierung, genannt.

Nun kommen also diese Auslandsschulden mit ihrer Verzinsung und Tilgung hinzu und ergeben mit den 1,8 Milliarden Reparationen zusammen die Summe von 3,2 Milliarden Mark, die wir an jährlichem Ausfuhr-Ueberschuss nötig haben für Reparationen, sowie Verzinsung und Tilgung der Schulden. Soviel Ausfuhrüberschuss zu erzielen gelingt nicht; es ist beinahe gelungen im Jahre 1930, da gab es dafür günstige Umstände: es sind damals beschlagnahmte Güter in den Vereinigten Staaten von Amerika frei gegeben worden. Mit Hilfe dieser besonderen Umstände ist ein Ausgleich der Zahlungsbilanz im Jahre 1930 zustande gekommen, aber wie? Nicht durch Steigerung der Ausfuhr, sondern durch Senkung der Einfuhr. Wenn die Produktion stillsteht, braucht man weniger Rohstoffe; dadurch dass Arbeitslose weniger kaufen wird weniger eingeführt.

Der Ueberschuss im Jahre 1930 kam also zustande durch Produktions-Stillstand, durch Leiden und Entbehrung der Arbeitslosen. Das war die Ermöglichung jenes Ausfuhrüberschusses zur Deckung der Schuldzinsen und Reparationen.

Im Jahre 1931 ging der Export so stark zurück, dass dies unmöglich zu werden schien. Es gab jetzt zwei Möglichkeiten: entweder Schulden zahlen oder die Reparationen, denn für beides reichte es nicht mehr aus. Wäre nicht das Hoover-Jahr gekommen, so hätte man die Zinsen nicht mehr bezahlen

können.

Nehmen Sie an, die Arbeitslosigkeit verschwände aus Deutschland oder sie ginge zurück - durch einen Engel vom Himmel oder eine Zwangsanleihe, welche eine Unterstützung des Bauwesens ermöglicht - aber ohne dass unser Verhältnis zur Aussenwelt sich ändert, was wären die Folgen? Mehr Kaufkraft, daher mehr Konsumtion, daher mehr Einfuhr, sowohl von Rohstoffen als von Lebens- und Genussmitteln. Dafür braucht man Devisen. Also mehr Devisenmangel und ein entsprechendes Eingreifen der Reichsbank: Diskont-Erhöhung, Einschränkung der Produktion, wieder mehr Arbeitslosigkeit. Sie sehen also - ceteris paribus -: wenn die Arbeitslosigkeit zurückgeht, so muss das eine Wirkung ergeben, welche die Arbeitslosigkeit wiederkehren lässt.

Das ist die Fessel, in der wir stecken. Diese Fessel ist unsere Zahlungsbilanz. Wie kann diese Fessel gelockert werden?

Auf dreierlei Art. Erstens, indem wir eben den Bedarf an Devisen kleiner machen, sei es durch verringerte Einfuhr, sei es durch Verzicht auf Auslandsreisen: ein Posten, welcher die Reichsbank dazu zwingen kann, den Diskont zu erhöhen und so noch mehr Arbeitslosigkeit hervorzurufen, sodass die Auslandsreisen zur Arbeitslosigkeit beitragen können. (Totzdem bin ich recht froh auf diesem Kongress anwesend zu sein!)

Eine zweite Aufgabe ist, den Export - wie auch die Benutzung der deutschen Handelsflotte durch das Ausland - noch mehr zu steigern und in dieser Weise mehr fremde Währung hereinzubekommen. Aber hier stehen uns entgegen: die Zölle in der ganzen Welt die von Tag zu Tag immer mehr erhöht werden, trotz aller Mahnungen von Genf aus. Wir können um so tiefer die deutschen Löhne senken, um den Export zu forcieren. Man kann dann aber im Ausland auch die Lohnsätze senken oder die Zölle erhöhen; hier sind wir also nicht so unabhängig.

Die dritte Möglichkeit ist, dass eine Erleichterung der Reparationen Platz greift. Welche Mittel für die Weltwirtschaft die angenehmeren seien, habe ich nicht zu untersuchen. Die Weltwirtschaft leidet, wenn Deutschland als Absatzmarkt ausfällt und deutsche Reisende ausbleiben. Die Weltwirtschaft leidet, wenn wir den Export forcieren und so andre Länder zwingen, gleich-

falls mit ihren Preisen und Löhnen tiefer zu gehen, damit sie ihren Export nicht verlieren. Die Herabsetzung der Reparationsbeträge ist für diejenigen, die diese zu empfangen haben, auch nicht angenehm. Aber man wird m.E. alle drei Möglichkeiten kombinieren müssen, wenn uns die Möglichkeit gegeben werden soll, uns von der Fessel zu befreien, von der ich gesprochen habe. Darauf wird Dr. Meyer zu Schwabedissen weiter eingehen, und meine Zeit ist schon überschritten.

Ich bitte Sie aber nun Ihrerseits zu verstehen, warum wir Deutschen uns augenblicklich so verhalten wie wir es tun. Wenn wir uns auf die nationale Volkswirtschaft zurückziehen und sozusagen der Weltwirtschaft entfliehen, dann dürfen Sie das nicht als Feindschaft gegen die Welt auffassen. Wenn wir unsren Export forcieren um es möglich zu machen, die Reparationen zu zahlen, so bitte ich Sie das nicht als Angriffslust gegen die Welt zu empfinden. Und wenn wir immer auf die Reparationen zu sprechen kommen, dann bitte ich Sie, darin kein Querellantentum zu sehen, sondern den Ausfluss der Notwendigkeit, die auf uns lastet.

SCIENTIFIC MANAGEMENT AS A PHILOSOPHY AND TECHNIQUE OF PROGRESSIVE INDUSTRIAL STABILIZATION

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If I find myself unable to apologize for the length of my paper, it is because I am convinced on the one hand of the serious nature of the present state of disorganization of world affairs, and on the other hand of the indispensable part which scientific management must play in avoidance of future similar states of economic disorganization. I refer to that genuine scientific management which is expounded in my paper and not to that superficial and partial efficiency - frequently incorrectly called scientific management - which has been one of the contributory causes of the present state of affairs.

The call for this Congress and the reports and papers already presented have given us our thesis: a world economically disorganized. On the one hand a bountiful nature, a magnificent technical state and equipment for converting that bounty to our particular uses, and a great host of workers ready to do the necessary work; on the other hand stoppage of economic processes, unemployment and physical distress and mental concern on the part of many people. We have come to the conclusion that individualistic enterprise has indeed constructed a magnificent and efficient economic machine, but that it has finally reached a stage of evolution in which individualistic industry is unable to keep it in order and operate it properly. We have come to the conclusion that a regulating mechanism must be added to it - social economic planning - and that the economic integration represented in social economic planning must precede any effective political co-operation.

Now the conduct of the affairs of this world is an art, and an art requires a technique. To become effective the knowledge which science has given us must be made available through a technique. It is my profoundest judgment that twenty centuries of human experience have given us only one technique capable of regulating and administering the economic affairs of the world in the interests of the welfare of the human individual, and that is the technique of scientific management. The sooner

the world realizes that, the better for everybody. I suspect that we shall come to realize before this Congress is adjourned that one great sector of the world has already come to that conclusion.

What does social economic planning mean? It is easy to play with words, to talk about ideals and other abstract concepts. Often we play with them but seldom do they influence conduct in an immediate and effective manner. Yet the chaotic state into which social evolution is rapidly bringing us requires immediate reconstruction of conduct. The only manner in which we may reconstruct our conduct safely, effectively, and permanently - in an evolutionary manner - is carefully to examine accumulated experience for the guide to reconstruction.

Now individualistic industry has given us the necessary technique in scientific management. Scientific management - genuine scientific management - has proved itself to be an ever-expanding force for regularization of courage in economic conduct. Step by step in its evolution it has made this demonstration: first at the unit work place, then in the shop as a whole, then in the factory, and then in merchandising and general administration. The final manifestation of its evolution is the budget which effects regularization of huge multiple-plant enterprises.

Our problem is one of transferring this technique from the plane of the economics of the individual enterprise to the plane of social economics.

But it must genuine scientific management. Of course, if it is not genuine, it is not really scientific management. People are often not careful in terminology and there are many imitations and distinctions of scientific management to which the name is attached. These are dangerous. They are like the improperly constructed boiler which may blow up and cause destruction instead of giving us controlled power. Pseudo scientific management has got many an individual enterprise into trouble; and the aggregate of pseudo scientific managements has played its part in getting our world economic system into trouble. On the other hand, however, genuine scientific management has regularized and stabilized every individual enterprise in which

it has been developed, and, applied on a large scale to world industry, can regularize and stabilize that also.

This, however, will require superb leadership. It will require a leadership which can distinguish the true from the false, the complete from the partial, the adequate from the superficial. It will require a leadership which has perception and understanding, and which is, above all, motivated by a social conscience.

It is our present purpose to examine scientific management as a means of industrial stabilization, and therefore as a means of social stabilization and progress. We shall discover that it is not only a means of stabilization, but also a force creating new situations which compel stabilization over ever wider areas of industrial relationship.

In current discussions of industrial problems in the United States the word s t a b i l i z a t i o n is used with a frequency which is reflected by its use in this document. It is therefore essential at the outset to explain the meaning of the term when so employed, and incidentally in that connection to consider somewhat the nature of scientific management.

In American industrial usage the word s t a b l e does not imply a static condition such as, for instance, does its usage in chemical literature. Several centuries of experience in a dynamic frontier environment have made it impossible for the American to think in terms of unchanging social institutions. Therefore the word stable as applied to social concepts does not exclude the factor of change. It connotes adjustment and balance in the midst of change, absence of extreme fluctuations, the power to make change when it is desirable and to prevent it when undesirable, and some measure of regulation of the direction and extent of change.

It is in this meaning of the term that scientific management is a great stabilizing force. Through application of its basic principle of r e s e a r c h - discovery of laws governing mechanical forces, social forces and individual conduct - it on the one hand makes it possible to avoid unexpected change caused by unknown forces and on the other hand to promote desired change through controlled utilization of known forces. Through applic-

ation of its principle of standardization - formulation of laws to guide conduct - it on the one hand avoids the wastes of chance variability in conduct by establishment of common understandings, and on the other hand promotes desired variation by specifications of new and better purposes, relationships, instruments and procedures. Through application of its principle of control - voluntary co-operation in accordance with standards - it constantly strives to guard accepted modes of conduct from change for which investigation has not found warrant, and to establish new modes of conduct which it is believed will promote accomplishment of a common purpose.

The reader is referred to the preceding chart for a summary presentation of the principles of scientific management, the relation to them of the ever-expanding technology through which they are expressed, and the areas of functional industrial activity to which scientific management has been progressively applied.[2]

Scientific management is not only a means of stabilization; it is also a force which compels successive expansions of the area of stabilization. There are two reasons for this. First, in bringing any lesser area of industrial relationships under control, it is discovered that control over this lesser area cannot be complete until the environment affecting that area has been brought under a similar control; and second, the technology which establishes control in any particular area so affects relationships with and throughout the environing area as to intensify forces which tend to upset equilibrium. For instance: a workplace cannot be completely stabilized as long as the workplace preceding it in series delivers worked materials to it in an irregular flow; and on the other hand the stabilization of a workplace may produce an increased output which renders more unstable and uncontrolled the workplace following it in series. This makes it necessary, in

[2] The most comprehensive treatment of scientific management is Scientific Management in American Industry, published for the Taylor Society by Harper & Brothers, New York, 1929. See also Frederick W. Taylor, Father of Scientific Management, by Frank Barkley Copley, Harper & Brothers, New York, 1923, and Scientific Management, by H. S. Person, in the Proceedings of the Cambridge (England) Congress of I. R. I., 1928.

order completely to stabilize any one of these workplaces, to bring the three into harmonious relationship.

Thus scientific management, in order to complete and to conserve its achievement in any lesser area, is compelled to give attention to the environing area and to attempt to establish similar stability and control there. This necessity is progressive. Apparently there can be no end to it until the entire world of industry has been included. Fifty years ago scientific management began with the problem of the individual workplace, but to bring that under control it was compelled almost simultaneously to stabilize all related workplaces, i.e., the entire shop. Then to complete stability of the shop (production) it was compelled to attack the problem of merchandising and selling. Stabilization of the relations between production and selling demonstrated the necessity of stabilizing the function of co-ordination - general administration. So much for the individual enterprise, beyond which scientific management has not yet had noteworthy influence. Now, however, it is realized that complete stabilization of an individual enterprise as a thing in itself is not possible; that the entire industry of which it is a part must be stabilized - and probably all the industries of a nation in their relationships, and industrial and commercial relations internationally.

The scientific management of today is therefore a product of evolution. Although Frederick W. Taylor, the creative genius of scientific management, half a century ago gave us in embryo all that is contained in the far-reaching scientific management of 1931, it has been the subsequent efforts of many workers in fields not touched by Taylor, which have demonstrated its adaptability to varied and larger areas of management, brought it into panoramic perspective and proved it to be one of the durable and dynamic forces in the service of mankind. So fundamental are both its principles and technique, that although they had their origin and primary development in a highly individualistic and capitalistic society, they may serve equally well any other conceivable form of social organization.

It is our purpose now to trace successive stages of its development as a stabilizing force.

SCIENTIFIC MANAGEMENT AS A TECHNIQUE

STABILIZATION OF THE INDIVIDUAL WORKPLACE.

The first expositions of scientific management[3] were concerned with problems of the shop - the conversion of materials. They emphasized the discovery and control of physical forces embodied in materials, machinery, tools, appliances; methods and conditions of handling them; and the organization and direction of human effort closely related to their use. Although industrialists in the United States at that time - the last decades of the nineteenth century - were much concerned with the problem of management, they were giving their attention primarily to devising various incentive wage systems as a means of stimulating workers to increase production by greater personal exertion. Taylor and his associates made a new approach to the problem by insisting that the way to greater productivity was through stabilization and control of the processing, measurement of work, and rewards according to productivity. They insisted that the important thing is that work should be so organized that labor would automatically become more productive and wages higher, which could be realized only by bringing all the conditions of processing under control and eliminating the wastes of unco-ordinated efforts.

Why was there at that time absence of especial regard for phases of management other than conversion of materials and the human problems immediately involved; why disregard for merchandising and selling, general administration and the collective aspects of human relations? Because these latter were not at the time dominant interests in American industry. Taylor and his associates were practical men who made their appeal to dominant interests. The outstanding problem of the period was output of

[3] The early classics of scientific management are: "A Piece Rate System", by Frederick W. Taylor, Transactions of the American Society of Mechanical Engineers, Vol. XVI, (1895); "Shop Management", by Frederick W. Taylor, Transactions A. S. M. E., Vol. XXIV. (1903); also Harper & Brothers, New York, 1911; "The Principles of Scientific Management, by Frederick W. Taylor, Harper & Brothers, New York 1911; Work, Wages and Profits, by Henry L. Gantt. The Engineering Magazine Company, New York, 1913; Scientific Management. by C. Bertram Thompson, Harvard University Press, 1913; a collection of papers by various authorities which had appeared chiefly in periodicals during the preceding decade.

commodities to satisfy an apparently insatiable demand.[4] Anything which promised greater productivity at a given cost - an advantage in a competitive industry - was certain to command the attention of alert and progressive enterprisers. Even the emphasis on processing which Taylor made in his expositions - so far-reaching were his technique and his philosophy - caused him to be characterized as "twenty years ahead of his time". Had he then made the various additional emphases which have been made since his day, industry would have ignored him completely as a visionary crusader.

Both logically and practically the limited approach was right. Control of material facilities through knowledge of their characteristics and best methods of their use in that period of conquest of natural forces was the starting point of good management, whether considered from the point of view of individual competitive advantage or of social economy. With that as a base other elements could be permanently reared upon it as a superstructure. Without that base the increments could make only an unstable structure. Early scientific management was right, furthermore, in its insistence that scientific method in the managerial control of material facilities is basically identical with the scientific method to be used in the control of other factors. There was a deliberate decision to concentrate on a thorough demonstration of scientific management in the field of production and leave to later students the application to other phases of management when new conditions should have increased the relative importance of those phases.

Taylor brought inductive science to bear upon the problem of managing each and every workplace in the shop.[5] Nothing was too minute for painstaking experiments to discover the perfect

[4] One cannot really understand the scientific management of today without an understanding of its evolution, and one cannot understand its evolution without a knowledge of the background of industrial culture. For this reason we recommend Charles A. and Mary R. Beard, The Rise of American Civilization, one-volume edition, The Macmillan Company, New York, 1930.

[5] cf. Robert Bruere in Scientific Management in American Industry, op. cit., Ch. XXIX.

form of machine, tool or appliance and the perfect method of their use. "Perfect" mechanism or method meant one most economical of the energy of the worker. In the case of machines and tools the capital charges were also taken into consideration. Economy of energy was indicated by increase of output per unit of time without fatigue of the worker, and economy instead of prodigality of energy was safeguarded by a planning of work which took into consideration standard maxima of output per unit of time.

The most suitable materials, machines, tools, appliances, mechanisms, or methods for each workplace and kind of work having been determined by investigation and experiment, the next stage in stabilization of conditions at the workplace was to standardize the best methods of using these. This involved really four steps: first, common understanding of the best tools and methods through publication in standing and special orders, instruction cards and so on; second, promotion and maintenance of understanding through specialized instruction of workers; third, maintenance of standards through specialized inspection and maintenance; and fourth, planning and routing of operations, including preparation and assembly of materials, tools and instructions for each operation. Typical activities involved in standardizing operations of a unit workplace are indicated in the first column of the preceding chart, in which conditions, mechanisms and governing principles are brought into relationship. The net result of stabilization in this manner of the relations of material and human factors at the unit workplace was an increased productivity of the workplace per unit of time, and per unit of machine and labor energy; and therefore reduced unit costs. Reduction of unit cost proved to be the practical and powerful appeal to the interests of industrialists in an active competitive era.

In this establishment of harmony and balance of factors at the unit workplace was discovered the basic principles of scientific management - see preceding chart - which were to have so profound an influence on American industry when eventually applied also in other phases of management. Also in this process of bringing individual workplaces under control it was simultaneously perceived that the immediate environment of workplace relationships

must be brought under a similar control in order to perfect and preserve the control at any individual workplace.

STABILIZATION OF THE SHOP.

The stabilization of one workplace after another, even without consideration of their relations, establishes a certain degree of control of the shop as a collection of workplaces. There still remains, however, the problem of co-ordinating the relations between workplaces in order to secure the most effective control of each workplace and of the shop. This indicates that scientific management includes within itself a compulsion to stabilize ever-widening areas of industrial relationship. The forces bearing upon stability of the unit workplace do not all originate within the workplace itself: no matter how completely and how perfectly control is effected at the unit workplace, it is discovered that forces which have their origin in the environment of the workplace impinge upon it and upset the stabilization effected locally. For instance, in a series of unit workplaces in which workplace Z receives partly worked material from workplace Y, no matter how well Z is stabilized locally, it cannot be completely stabilized if Y is not stabilized and if it makes its contributions to Z in a fluctuating manner. To complete the stabilization of Z, Y also must be stabilized - and X, W, V, etc., in an ever widening environment.[6] Therefore stabilization of the shop is not merely the incidental sum of the stabilization of all unit workplaces considered as unrelated units; stabilization of all related units is a part of the problem of stabilization of each individual unit. We have impressed upon us here the fact that each unit workplace is but a member of a larger organic whole and that all of them are inter-related and inter-dependent.

It is this factor in stabilization which has compelled scientific management continually to widen the area of its concern. Stab-

[6] It is obvious, of course, that workplace Z should not be stabilized first; A should be stabilized first, then B, then C, etc., and Z should be stabilized last. The exception to this principle is that purely local stabilization may be developed at all workplaces simultaneously. Mr. Kent (op. cit.) has informed the author that Taylor shortly before his death recommended the following order of attack on the problem of stabilizing the shop: 1. Stores; 2. Materials; 3. Tools; 4. Machines; 5. Methods; 6. Rates.

ilization of material factors is not sufficient; human relations must be stabilized. Stabilization of production is not sufficient; merchandising must be stabilized. Stabilization of production and merchandising is not sufficient; general administration must be stabilized. Stabilization of an individual enterprise is not sufficient; all enterprises in the industry must be stabilized. Stabilization of one industry is not sufficient; all industries of a nation must be stabilized. And it is the thesis of this Congress that stabilization of national industry alone is not sufficient; international economics must be stabilized. Achievement of any of these ends is a step toward a more balanced and harmonious industrial and social world life; each end is but a means to another and greater end.

The principles and most of the technique pertinent to stabilization of the shop are identical with those pertinent to standardization of an individual workplace. Early scientific management did its work in the first unit area so thoroughly that it discovered the principles and devised and assembled the parts of an integrated technique for stabilization of any area of purposive effort, whatever its nature and size. Whatever the area, research as a principle and as a method remains constant and basic, although things to be investigated may be different. Standardization remains a constant, although the elements standardized may vary. Control through knowledge remains a constant, although the laws which constitute the control vary with the factors to be controlled. Co-operation remains a constant, although the division of efforts and the complementary things to be done reflect the difference in factors and their relationships.

This is apparent to one possessed of the imagination to visualize the shop or industrial establishment as one huge machine. The research problem to determine the most suitable kind of tools and methods at the individual workplace becomes for the shop a problem of most suitable machines, tools and methods in relationship. The problem of gearing the separate tools into a machine representing a unit workplace has become the problem of relative sizes and capacities of many supplementary machines. The problem of the best place to locate material to be worked on at

the individual workplace has become for the shop the problem of providing raw materials and moving and storing those in process. The problem of the capacity of the machine has become the problem of the capacity of the shop. The problem of simplifying and standardizing the material for a given product of a unit workplace has become in the shop the problem of simplifying and securing the maximum adaptability of the least possible variety of materials. The problem of the most suitable particular kind of skill for the unit workplace has become the problem of the most serviceable ratios of various classes of skills throughout the entire shop. The problem of the ratio of idle time to productive time at the individual workplace has become the problem for the shop of the idle and productive times of tools and machines in the aggregate. And so on. Most problems of the individual workplace can be matched by problems, more complicated but essentially identical, in the shop conceived as one huge machine. For the shop the methods of research become more complicated and the resultant standards more varied, but the principles and the structures of research, standardization, control and co-operation remain the same.

Some of these principles - and other aspects of scientific management - are not commonly understood and should be considered further.

The term r e s e a r c h identifies the principle that judgments and decisions should be based on ascertained facts and not on impulse or guess. Scientific management demands this attitude of mind on the part of all co-operators and toward all problems, small as well as large. It does not, however, insist that all problems require the same technique or degree of fact-finding. It may use the historical, statistical, experimental or other method according to the nature of the problem. In one instance exhaustive experiments may be made and in another a few samples examined, according to the importance and urgency of the problem. Scientific management seeks data for use in planning action; if the action is to extend far into the future and affect many individuals, the search for data will be exhaustive; if the action is transitory and affects few individuals the investigation

will be modified accordingly. In this connection it may be said that scientific management insists on three things: always the mental attitude which demands the pertinent facts before making a judgment; as many of the pertinent facts as the nature and duration of the use justifies, when judged by the cost and time required for finding them; and facts of such a nature that their significance can be formulated into understandable specifications of action.

Standardization means simply the publication of the results of research in the form of specifications which serve as a guide to action. Inasmuch as research should be continuous and continuously fruitful of new knowledge, standardization does not imply a static situation but regulated change. The rates, increments and times of change are themselves subject to determination by research involving primarily the balancing of the costs of change - not measured only in money - against the value of change. A close-up cross section of a scientific management situation should disclose an apparent static relationship of co-ordinated "bests in the present state of the art". But a scientific management situation in perspective over a period should disclose predetermined and regulated change in these "bests" and their relationships - a moving equilibrium of internal readjustments like that of a ship at sea.

If there were more of genuine standardization of this sort, including particularly standardization of the methods and rate of standardization, what is called technological unemployment would tend to be reduced to that caused by periodic basic and revolutionary discoveries and inventions, and thus brought to a humanly irreducible minimum. Technological unemployment appears to be caused generally by periodic sudden adaptations and utilizations, stimulated by changes in economic conditions, of well-known rather than new basic discoveries and inventions. Most enterprises follow the line of least resistance and manage to get along with equipment and methods which gradually become too obsolete to be operated in the face of the competition of new progressive plants. This situation forces periodic sudden widespread and radical technical changes. Technologically too many employees are released at one time to be reabsorbed economically.

But in a plant in which research, standardization and restandardization are continuous, technological improvement can be introduced by such small increments that employees may be adjusted and reabsorbed. Under such circumstances the older workers, with their accumulated fund of skill and understanding, become an asset instead of a liability.

Control in scientific management means exactly the opposite to what it means under the ordinary form of management. In the latter instance it means arbitrary power over - "authority" and individually determined "orders". In scientific management, to accomplish a given purpose the laws of the situation specified in the standards must be commonly observed; i.e., each co-operator must perform his function in the manner, at the time, to the degree and in the relationship prescribed by the research-discovered best system of joint effort to accomplish the common purpose. "Responsibility" replaces "authority". Executives as well as workers are subject to the laws of their responsibility. Instead of one looking to another for an "order", one looks to another for the performance of his responsibility.

For an analogy common to the experience of all nations represented in this Congress, perhaps the management of an orchestra will best serve our purpose. The score constitutes the standards. The various choirs of the orchestra correspond to the classes of work in the shop. The conductor and the concert-master are the executives and the individual musicians are the workers. All are bound by the laws written in the score. The leader wields a baton, and each signal of the baton is an "order" in a very special sense. But it is not an order representative of an individual's guess or whim. It is a signal which is determined by a law of the score to which the leader is bound as much as each performer is bound by his particular set of notes. If the leader is incompetent or lawless, confusion results, there is no common achievement and he is separated from his responsibility. Each performer knows in advance what the order is to be. He is competent to judge whether it is properly given. He knows instantly whether an impulse of the leader has violated the written law. All are subjects of a code constructed to accomplish the common purpose smoothly and economically. And yet

there is opportunity within the law for a genius like Toscanini to manifest his particular qualities of leadership, and for an individual player to manifest his skill with an instrument, Likewise in scientific management there is within the law opportunity for leadership and individual craftsmanship.

The meaning of co-operation has been indicated by what has been said about standardization and control. If control is not dependent upon authority and force it must be dependent upon co-operation. Control is established by common understanding of purpose and of individual responsibilities and their relations, and by the will to work together. Control in scientific management implies co-operation - and of the individually detonated, enthusiastic type. It is for this reason that the establishment of scientific management is a problem of education, of understanding and practice, for which time is required. It is not a complex group of mechanisms which may be bought or imitated, and installed in a short time.

Insofar as establishment and observance of a code of co-operation constitute mechanization, scientific management is mechanistic. It constitutes mechanization of the same sort as playing a game according to the rules of the game, or in any situation performing complementary functions according to the requirements of the functions. In many discussions of the subject, however, there appears to be the assumption that scientific management is mechanistic by requiring the substitution of mechanical for human energy; that scientific management is achieved to the same degree, and the same degree only, that machine energies are substituted for human energies. No assumption could be more erroneous. Scientific management in any particular situation starts with no preconceptions concerning mechanization. Its research may lead to the substitution of machine for manual labor, improvement of an existing machine, substitution of a new for an obsolete machine, or a larger for a smaller machine, or a smaller for a larger. Its research may in some instances lead to the elimination of a machine as uneconomic, and the substitution therefor of human energy. In other instances it might lead to the elimination of an operation and the purchase of the

product of that operation in the open market, in which case mechanization in the industry is reduced by the avoidance of duplication of facilities among plants. Scientific management research includes within its scope, and in fact begins with, inquiry into the economics and sociology of the situation, and does not proceed to mechanical engineering until sociological and economic facts have been determined and mechanical and industrial engineering requirements derived therefrom.

In extreme cases of mechanization, e.g., mass production plants having continuous processing on automatic and quasi-automatic single-purpose machines, scientific management of the details of processing, so essential in smaller plants utilizing multiple-purpose machines, tends to disappear because management of details itself tends to disappear. In these cases the researches of industrial as well as mechanical engineering are focused on the designing of the equipment. Co-ordination between parts of a machine and between machines is designed into the machines themselves and into the auxiliary conveying apparatus. The human contribution in processing becomes restricted chiefly to maintenance of the equipment and the manipulation of valves and levers. Speaking broadly, machines determine the actions of the men instead of men determining the actions of machines. Therefore there is little need of scientific management of variations in processing. An extreme case is a plant in Milwaukee, Wis., which produces 10,000 automobile chassis frames per day, 3,000,000 per year, with a scant 200 workers of whom only 50 touch the product. There is, however, a supplementary organization of 1,000 research engineers. Such plants as these are called into being by mass markets which make continuous processing economical on costly single-purpose machines; they are not a consequence of scientific management per se.

Let us leave this point with the general statement that scientific management does not presume increased mechanization; that in any particular instance it may increase it or reduce it; and that

where mechanized mass-production exists, scientific management may or may not be present.

STABILIZATION OF THE HUMAN FACTOR.

In marked contrast to the later literature of the subject, the early literature of scientific management did not place strong emphasis on human relations as a factor in management. Yet in practice such relations received significant attention from the beginning.

This absence of emphasis in the early literature was due to the circumstances of the time, general and particular. In particular that literature did not consist of exhaustive treatises for a general public of varied interests, but was the record of occasional addresses to special audiences of engineers and executives. These addresses were an effort to win acceptance by owner-managers, the group then having sole administrative responsibility for organization in industry, of the new concept and technique of scientific management by appeal to their dominant interest in the immediate and practical problem of high productivity at low cost. These addresses therefore emphasized means in detail and ends only in general; ends such as low labor costs, high wages, sympathetic understanding between management and workers, and industrial prosperity;[7] means such as research, standardization, functional organization, functional supervision, time and motion study, planning, predetermined tasks and differential rewards. The social point of view in these addresses was that if means were accepted the ends would be realized as a matter of course. Therefore the emphasis on these arguments was on means.

In general the industrial culture of the time[8] was one in which managements were interested primarily in productivity. It was a virile industry in which proletareanism was not yet conspicuous; an industry of splendid personal generosity and helpfulness in times of stress, but without much institutionalized humanita-

[7] Taylor, "A Piece Rate System", op. cit. passim and Shop Management op. cit., passim.
Gantt, Work, Wages and Profits, op. cit., passim.

[8] 1885—1900.

rianism. Such concepts as "welfare work", "personnel management", and "industrial relations" were not yet prevalent. It was a period of industrial surge which continued the revolution that had been dramatized in the war between the States (1860-1865) and had firmly established capitalistic industry behind bulwarks of favorable banking, tariff and immigration legislation.[9] The commodity theory of labor was a logical doctrine of the time. Notwithstanding occasional panics and depressions it was a period of that intense activity now called a "seller's market". Therefore generally the problem of management was one of production; high production and low labor costs were the dominant interests. The early expounders of scientific management knew their industry and appealed to these dominant interests.

Yet in practice, as we have said, from the moment scientific management gave attention to the stabilization of the workplace and shop the problem of personal relations also received special attention. This attention has increased as the years have passed and new problems come to the fore, and now gives scientific management a commanding position in the world campaign for improved human relations in industry.

There were two reasons for immediate practical attention to this phase of the stabilization problem. First, technically it was perceived that the relations of men to tools, machines, management and each other were an integral part of the management problem at the workplace and throughout the shop, and that stabilization of facilities could not be separated from stabilization of the relations between them and the users; second, philosophically and ethically scientific management had its origin in a specific ambition of Taylor's to better human relations in industry.

It had its origin in a problem of human relations when Taylor as a young, inexperienced foreman encountered his first and last controversy with workers under his supervision. This experience distressed him: "The life was a miserable one, and I made up my mind to either get out of the business... or to find some

[9] Beard, Charles A. and Mary R., The Rise of American Civilization, op. cit., Ch. XVII.

remedy for this unbearable condition." [10] The remedy, he decided after giving thought to the matter, was knowledge, facts laid on the table for all to see, instead of guess and whim and autocratic force. The way to knowledge, he decided also, was through investigation and experiment. In this way scientific management - inductive science in management - had its small beginnings exactly fifty years ago.

Although he did not emphasize it in his early expositions - explanation of the end would have been so far in advance of the time as to have generated sales resistance to acceptance of the means - this objective inspired Taylor from the beginning. It has continued to inspire the whole scientific management movement. The following is a fairly accurate ranking of the interests of Taylor and his successors, each item conceived roughly as contributing to those which precede it in the list: human welfare; harmony in industrial relations; an equitable division of the social income in fair profits, high wages and low prices; high productivity; perfection in management; science in management. In the early addresses, however, notwithstanding an especial interest in those items which are primarily ends, for reasons which we have already explained, emphasis was placed on those which are primarily means.

The attack by organized labor upon the scientific management concept in 1910-11, and for a few years following, may now be dismissed as inconsequential. It did not arise out of any unfavorable reaction of workers in scientific management plants. It was an a priori, speculative, doctrinaire disputation which arose out of failure to understand scientific management as a doctrine. This must be charged in large part to the omission of emphasis on ends in the early literature. Several years of this disputation, characterized by a smoke-screen of nebulous assertions, was succeeded by revealing experience with scientific management in war-time production; and by the end of the World War better understanding of the objectives as well as the details of scientific management led to passive, and in some instances

[10] Copley, Frederick W. Taylor, Father of Scientific Management, op. cit. Vol. 1, pp. 4-6, 157-189, also Person, "Scientific Management", op. cit.

active acceptance by organized labor.

Technically the problem of stabilizing human relations in American industry in the early days of scientific management was much simpler than it is today. The emotional nature of man did not occupy so large an area of the problem, and group emotions especially were not yet an important factor. Even such individual emotions of men as are today presented in the feeling of industrial insecurity did not play a large part. The workers, like the employers, felt reasonably secure and were interested primarily in raising their standard of living. They wanted employment - which was usually to be had - and high wages, for these made possible "the full dinner pail", a favorite expression of the time. They wanted good working conditions, but this was not emphasized, for "conditions" are relative, and working conditions as they found them were less disagreeable than those of the woods and farms from which the native workers had come, or the European industrial cities from which the foreign-born had emigrated. To immigrants of that day America was the "land of prosperity and opportunity". Therefore the problem of human relations centered about increase in the standard of living as a fulfillment of this promise of opportunity and prosperity.

Scientific management at first made its immediate objective a recognition of this common motivation. "High wages and low labor costs", was an appeal to the same dominant emotional interest in workers and owners.[11] Productivity became the first and fundamental problem of human relations. This was possible for an enterprise in competitive industry only if there were greater productivity per unit of human energy and of capital investment, which in turn was possible only by discovery of better facilities and methods, and making these effective in a stabilized system of co-operative effort.

The first step in development of the technique of scientific management was "job analysis", although this term had not been devised. These early job analyses differed from those of modern personnel managers in a very important respect: instead of being

[11] Taylor, "A Piece Rate System", op. cit. p. 12.
Taylor, Shop Management, op cit, p. 22.

analyses of jobs as they are ordinarily performed, they began with experiments to determine the best facilities and methods for a job, and then followed analysis and standardization of these perfected methods.

These early analyses were studies of machines in use, and were therefore studies of operators and their methods as well as machines and their tools. The human factor stood out at once as of primary importance. To establish the most perfect conditions in their totality at a workplace it was perceived that it was necessary to select workers for particular jobs according to their native capacities and acquired skills, train them, inform them concerning the detailed requirements of each operation and the relations of operations, and win and maintain their sympathetic interest and good-will. Thus simultaneously with attack on the problem of stabilization of the workplace through perfection of equipment, scientific management, because of inherent principles, was compelled to give attention to the total situation, involving men as well as equipment.

The practical outcome of these early studies was that then, for the first time in American industry, began systematic care in the selection of workers - such as keen, intelligent men for skilled machine work and strong, lethargic men for monotonous shoveling and lifting. Then began systematic training through especially selected and functionalized foremen; the giving to workers of complete information through written instructions in place of abrupt commands; and special assistance to workers through provision of the necessary perfectly-conditioned tools for each job. Investigations of fatigue were made which rank with those of modern psychology, and working conditions were defined accordingly. A systematic relationship and procedure was devised which insured competence, understanding and the necessary facilities. The result was increased productivity, higher earnings, lower costs. The full dinner pail of the worker was made fuller, and the profits of the enterprisers were increased. Thus were co-operation and good-will established. To provide against occasional irritations and conflicts through misunderstanding, and for the settlement of disputes promptly at their source, the pioneer functionalized personnel manager, although not so called,

was created and made a permanent part of the organization. All of this was nearly a half century ago.

These remained the focal points of early scientific management's interest in human relations so long as the general conditions of industry remained those of a vigorous, expanding sellers' market. In the course of time, however, significant changes appeared in the general conditions of industry, which scientific management anticipated by continual expansion of its basic technique.

It is impossible to understand this evolution of attitude toward the human problem in American management without understanding social and industrial history. The days of early scientific management had one philosophy of personal relations; our day has another. The social philosophy of those early days was that of frontier individualism with emphasis on self-reliance, intuition and responsibility. On the whole it served reasonably well, for if an individual failed to adjust to one particular opportunity an abundance of others was available - new industries were springing up on every hand and there were still free lands to be had almost for the asking. Under these conditions the attitude of early scientific management toward the personnel problem, as indicated above, was a radical departure from that which was prevalent and was a step toward that held by our generation.

The attitude of our day has been determined by a new perception of inter-relationships and interdependencies created by the new commercial and industrial technology, of which scientific management itself is a major factor, and by the new spirit of "humanism" generated by the more widespread higher education, pragmatic philosophy, institutional economics, sociology, the social sciences generally and other forces. The older attitude was still dominant when Taylor retired from active affairs, and, therefore, the burden of interpreting scientific management in terms of the new dominant interests fell to his successors. How well they have done their work in the second quarter century of scientific management is indicated by the fact that plants which it has influenced constitute today the outstanding cases of progressive industrial relations: scientific management liter-

ature is the record of the progress of humanistic as well as efficient management, and its organizations offer the only forums specializing in management on which problems of human relations in industry are discussed openly and impartially. The code of employer-employee relations, which this Congress honors by selection for consideration at one of its sessions, is a creation of scientific management and is the only such code yet formulated by any group in America. Organized labor and scientific management technicians are today jointly further developing the technique of scientific management as the fundamental and substantial institution for establishing stability and harmonious relations in industry.[12]

The classics of scientific management, now familiar through translations to nearly all the world, were written before this recent intensive interest in human relations generated by the new commercial and industrial technology.[13] For evidence of scientific management's later interest in the problem one must consult later records.

The first of these sources is the little-known statement by Taylor himself, in January 1912, more than ten years after his retirement from professional work, at a hearing before a Special Committee of the House of Representatives of the Congress of the United States.[14] This Committee was created especially to inquire into the human relations aspect of scientific management.

This testimony made clear the fact that scientific management had never been inspired by any desire to establish a new social order, but to make human relations harmonious in industry as

[12] e.g., "The Naumkeag Experiment", Bulletin of the Taylor Society, Vol. XV, No. 2, April 1930, pp. 63-79.

[13] It should be noted that the Principles of Scientific Management (1911) which might at first be considered an exception to this generalization, is essentially a popular restatement of the contents of Shop Management (1903).

[14] The official report has been long out of print, but Taylor's testimony was reprinted in Bulletin of the Taylor Society, Vol. VI, Nos. 3 and 4, June-August 1926. This also is now out of print but fortunately can be found in many public libraries.

it is today - individualistic, capitalistic, with specialization and division of labor. This harmony is to be established by an intellectual revolution on the part of both employers and workers concerning their common purpose and the means of achieving it. The purpose is greater leisure and culture for workers as well as employers through greater prosperity resulting from greater productivity. The means to this greater productivity is discovery by research of "a science" for every operation and every relation between operations in co-operative activity, and the formulation of the discovered laws into rules of co-operative procedure. The organized investigations for discovery of the laws governing the joint activities should be participated in by workers, and the resultant procedures should govern owners as well as workers. The co-operation must be voluntary — not imposed by one party on another — and could if necessary be promoted by collective organizations. The achievement of voluntary co-operative activity is a matter of education and understanding. The mechanisms of scientific management should not be confused with the principles. The latter are enduring; the former, expressions of the principles, may vary from place to place and change with changing conditions of the application of the principles. Therefore scientific management is not something which may be imitated or bought outright, or imposed by one party on another, but is a process of co-operative education in learning how to achieve ever greater productivity and ultimately greater leisure and culture.

It is regrettable that this illuminating statement by Taylor has not been known throughout the world; and even more that there was not forty years ago such a general interest in industrial relations as to call it out.

Since its utterance in 1912, however, the literature of scientific management has been one of industrial relations as much as of managerial technology. It has introduced to industry the doctrines of workers' consent and participation,[15] and of utilization of workers' capacity for creative self-expression.[16] In 1916

[15] Valentine, Robert G. in Bulletin of the Taylor Society, Vol. II, No. 1, June, 1916, p. 7.

[16] Wolf, Robert B. in Bulletin of the Taylor Society, Vol. I,

Robert B. Wolf observed: "The management should primarily furnish the men with the information necessary for them intelligently to co-operate in determining what the standard practice should be . . . . and my personal opinion is that the splendid results obtained by Dr. Taylor . . . . were due largely to the fact that he stimulated the reasoning powers of the men . . . . and made them realize that they were co-operating in obtaining the results." [17]

During the past decade scientific management has again made inquiry into the nature of authority and who are managers. Henry S. Dennison says: "We must find ourselves forced to answer that while the managing factor is heavily graduated from almost zero to almost 100 per cent among separate individuals, it nevertheless finds itself to all practical purposes coterminus with the whole active organization." [18] And from Miss Mary Follett, now a resident in London: "If, then, authority is derived from function, it has little to do with hierarchy or position as such, and in scientific management shops this is more and more recognized . . . . Authority should go with knowledge and experience . . . . that is where obedience is due, no matter whether it is up the line or down the line." [19]

Ten years earlier this emphasis in scientific management had been anticipated by Morris L. Cooke, a co-worker with Taylor. "Should we not learn in every relation in life to follow the lead of the particular individual who is charged with any given function, whether he be the President of the United States, the traffic officer, or the clerk in the office?" [20]

In his presidential address before the Taylor Society in December 1928, Mr. Cooke considered at length the possibility of a recognized functional status for workers' organizations. "If it can be accomplished the group of workers must be collectively related to industry in a way not possible under a bargaining status. What we want now is an integrating process which will tend

No. 3, May, 1915, p. 1; Vol. I. No. 4, August 1915, p. 2; Vol. II, No. 1, January, 1915, p. 3.

[17] Ibid. Vol. II, No. 3, June, 1916, pp. 7-8.

[18] Ibid. Vol. IV, No. 3, June, 1924, p. 106.

[19] Ibid. Vol. XI, No. 5, December, 1926, p. 243.

[20] Ibid. Vol. III, No. 4, August, 1917, p. 7.

more and more to unite us in a common purpose. The development of the techniques by which such unity may be accomplished is a problem common to all productive enterprise..." [21] At the present moment scientific management is being developed in a cotton plant in Massachusetts by an engineer employed jointly by the management and the local unit of the national union of the workers. [22]

We perceive, therefore, that the necessity for taking into consideration all factors in a management situation has given scientific management a vital concern for industrial relations from its beginning. The forms of its concern at any time have reflected the general mental attitudes and industrial conditions of the time: or to be more accurate, the new mental attitudes and industrial conditions imminent at the time. Fifty years ago its concern was manifest in such details of personal relationship as were presented by problems of ability, skill, training, temperament and fatigue in relation to the job; today it is manifest also in such broad problems of collective relationship as provision for a functional status of workers' organizations in industry.

A noteworthy characteristic of this progressive leadership of scientific management toward sound human relations in industry is its freedom from sentimental and academic direction. It has been under the guidance generally of men and women in direct contact with industry. It has never departed from the basic principle that the focal points of industrial relations are the unit workplaces. In these vital spots lies the problem "of getting the work done with the utmost excellence it admits of." In them frictions arise and states of mind are generated and there the remedies must be found. The problem of stabilizing relations between men and things and between men and men is an inseparable part of the problem of technological stability.

STABILIZATION OF MARKETING.

Following the World War one of the most disturbing changes in

[21] Ibid. Vol. XIV, No. 1, February, 1929, pp. 5-6.
[22] Ibid. Vol. XV, No. 2. April, 1930.

American industry was the sudden transition from a sellers' to a buyers' market. Industry before the war had enjoyed a gradually expanding consumption and rising prices, and production to satisfy this increasing demand had been the dominant interest. Considering industry as a whole marketing relatively had not been a problem. Then in 1920 came a change, indicated by a sudden turn in the price curve. Industry found itself on a buyers' market and intensive selling became a necessity and a problem.[23] Selling then became the dominant interest. Scientific management recognized the new problem and added to its other educational interests that of more scientific management in marketing.[24] This was not the earliest evidence, however, of the influence on selling of scientific management principles and technique. As early as 1912 Charles W. Hoyt had opened his "Scientific Sales Management"[25] with a chapter which reviewed Taylor's work and the principles of scientific management in production, and had then attempted to adapt these principles to the problem of sales management. But at that date, because selling was not the dominant interest, the new approach in this book attracted little attention. It required the sudden appearance of the buyers' market of 1920 to focus attention on the problem of marketing. By 1930 the literature of scientific management applied to selling - and also to the office, that auxiliary unit which intensive merchandising had helped to make prominent and costly - had become substantial.[26]

[23] We should not be misled by the spectacular activity and growth of the automotive, radio, tobacco and a few other industries during the decade 1920-1929. Many of the older staple industries such as the woollen, cotton and shoe industries were suffering severe depression. On the whole, American industry had its first experience with a prolonged buyers' market.

[24] "A widespread interest in marketing methods cannot be said to have come with the turn of prices, although at that time there was plenty of talk about the difficulty of getting sales. As early as October, 1920, however, articles suggesting a more scientific viewpoint on marketing appeared in the Taylor Society Bulletin." Report of the Committee on Recent Economic Changes, of the President's Conference on Unemployment, Herbert Hoover, Chairman, New York, McGraw-Hill Book Company, 1929. Vol. II, p. 531.

[25] New York, George B. Woolson & Company, 1912.

[26] For example: White, Percival, Scientific Marketing Mana-

Scientific management's pioneering emphasis on scientific marketing was forced by the logic of the situation. It was another example of the necessity to stabilize a larger managerial situation in order to preserve the stabilization of a lesser one. As long as the flow of orders into the processing departments of enterprises had been relatively regular, scientific management had given its primary attention to perfection of its methods in production. As soon as the flow of orders into manufacturing departments became irregular and seriously declined, the stability of every production situation was upset. Scientific management was compelled to protect the stability it had accomplished in that field by attacking the additional problem of sales management imposed by the unstable environing market.

The problem of scientific marketing for the individual competitive enterprise was one of applying formulated principles and basic elements of an established technique to a new field. The studies and experiments in merchandising during the decade since 1920 have discovered no alternative principles and no technique different in basic characteristics. Market research is in principle the earlier production research applied in another area to another set of similar problems. The establishment, for instance, of sales quotas, by items, territories or salesmen, is a procedure in standardization similar to the setting of definite tasks for machine or bench work. Sales programs and schedules correspond to production programs and schedules. The establishment, after adequate research and experiment, of new channels of distribution is analogous to the regularization of the flow of work in the shop. The study of the use and style values of items, and the adoption of new and the elimination of old items and styles, is the production problem of design, materials and machining expressed in other terms. The routing of salesmen corresponds to the routing of work in process. The problem of warehousing is the plant problem of storage on another scale. The control of merchandising inventories is the technique of materials control projected into the area of distribution. "Hand-to-mouth" merchandising is made possible by broader application of the same

gement, New York, Harper & Brothers, 1927; and Leffingwell, William H., Office Management: Principles and Practice, Chicago, A. W. Shaw Company, 1926.

technique that is expressed in the balance-of-stores ledgers and materials control in the shop. Accounting for the costs of sales is essentially the same technique as accounting for the costs in production. Even the principle of separation of planning and execution is found in the separation of the function of devising sales programs and methods from the function of directing the sales force in carrying out the programs. Notwithstanding a greater number of imponderables which evade control and complicate the problem, all along the line of major functions in current scientific marketing - from market research at one extreme to standard methods of suasion and securing orders at the other extreme - the principles and technique of scientific management of the shop are reproduced. At last the practical industrialist is discovering by experience, what the economist has consistently asserted, that manufacturing and selling are socially but parts of a continuous series of inter-related processes, all of which are essential to the production of utilities and subject to the same principles and basic elements of management.

The problem of marketing is infinitely more complicated than is indicated by this over-simplified consideration of it. The progress of goods from producers to consumers is halted and diverted continually by the interference of forces beyond the influence of individual managements. The marketing problem of enterprisers in a competitive industry is but part of the larger problem of stabilization of the relations between total consumption and total production of a society, with all its train of factors such as competition, purchasing power and credit. This raises the inevitable problem of stabilization of national industry, which will be considered later. All that scientific management has been able to do in marketing is to make a beginning with respect to the few factors on which an individual management can have direct and immediate influence. This is indeed a small sector of the problem. What is being done is both complicating the larger problem and giving experience vital to its solution.

Let us leave this brief section of our exposition with the emphatic reminder that this effort to develop scientific marketing is but an additional step in the direction of industrial regularization; that as soon as stability in the shop was threatened by forces

of instability projected from the marketing environment, scientific management was compelled to turn to the task of putting that environment in order. The task has hardly been begun, but scientific management is patient and never releases its educational pressure.

STABILIZATION OF GENERAL ADMINISTRATION.

The war and its aftermath brought into sharp focus the function in enterprise which governs all other functions - general administration, which is concerned with the establishment, development and policies of an enterprise, and with the co-ordination of its functional units. During the war the dilution of the personnel of industrial organizations created new problems of rapid selection, training and co-ordination. Then the depression of 1920 brought out sharply two additional problems of general management: forecasting the effects of the new buyers' market, and the formulation of appropriate policies and plans; and the necessity of even greater economies through more precise control of the relations between units of enterprise which had been permitted to operate with such as absence of control as to neutralize each other's effectiveness. The frozen inventories which characterized that depression, for instance, were evidence of the prevalence of neglect in planning and co-ordination of sales, production and purchasing. Many of the larger enterprises which had been built up by consolidation discovered that their major units were not effectively integrated. Industry began to give attention to these problems and more generally to bring general administration under a control, already exemplified in a few more progressive enterprises, analogous to that previously established in production and being established in marketing. The development of this general administrative control was essentially a compelled application of the principles and technique of scientific management in a still larger area of influence.

The application of the principle of research in general administration has had two noteworthy aspects. In the first place, technical interest was turned to the history and development of industry, the characteristics of consumer demand, competition between industries, analyses of tendencies, and forecasts of the

probable future of demand. Many of the larger enterprises established large and costly administrative research departments. Middle-sized enterprises came to accept, with respect to general information desired, the findings of professional institutions of industrial-economic research; and they supplemented this information by investigations relating to their respective industries, conducted by their own economic research units. Smaller enterprises began to utilize the reports of professional statistical bureaux, which as a group appear to have become a permanent institution of information service to American industry.

Also general administrations began to give more serious attention to the already-established researches of production and sales departments. These were improved individually and brought into a relationship which made them more useful tools for co-ordination and control of departmental efforts. The most noteworthy objective result of this integration is the modern form of the budget. The primitive form, devised to control the use of funds in accordance with an allotment on the basis of arbitrary judgment, has now become an effective element of co-ordination based on researches relating to the market and its demand, sales facilities and costs, and production facilities and costs. The budget is to the enterprise as a whole what the operation order and instruction card are to the individual workplace.

The principle of standardization has proved of the greatest significance to the stabilization of an enterprise through general administrative control. In any area of managerial responsibility the basic fact has become clear that until the results of research are formulated in the form of standards of what is to be done and how, there can be no co-ordination and control, and no economy resulting from integration of individual efforts. Nowhere is this clearer than in general administration.

For its own purpose, therefore, it has come to demand of operating departments more and better standards. An effective budget must start with reasonably accurate forecasts of the probable activity of business in general, of the particular business, and of the sales of the items which it produces - in as predetermined quantities and prices as is possible. It must then be built up with reasonably accurate forecasts of all production costs in-

volving predetermined requirements and costs of materials, machines, tools, labor and overhead. This is one reason for the rapid and widespread increase of time study during the past decade, and for the development of such mechanisms as standard costs.

The experience of scientific management in general administration has brought out an important fact, fundamental among the implications of this paper and pertinent to the general subject of this Congress, that the development of a technique of general administrative research, standardization and control indicates that there may be no limit to the manageable size of enterprises; that, if we learn our lessons of experience and develop our technique accordingly, probably whole industries and the grouped industries of national and international areas may be made subject to a manageable control. There are now in the United States and Europe consolidations of enterprises, diverse as to the nature of their products and geographically widely scattered, which are managed more effectively than even small enterprises were managed a decade ago.

This is because industry is learning how to achieve through research and standardization an effective balance between centralization and decentralization. So long as managerial customs, especially absence of standards, compelled the chief executive to make every decision, whether relating to policy or to specific performance, there was a limit to the effectiveness of central control. Under those conditions a point was reached where the losses from the inefficiency of an overloaded individual were greater than the losses resulting from absence of balance between decentralized operations. It was believed that a size of enterprise could be reached at which inefficiency of one or the other kind would be inevitable, and therefore that there is a limit to manageable size.

But the progressive widening of the area of scientific management points the way toward a solution of the problem. On the one hand planning of research-determined purpose, policies and specific results, and provision of standard, research-determined facilities, can be centralized for any number of unit plants. The

planning department of the general administrative offices of a group of integrated enterprises can establish standards of policy, purpose and specific results for the constituent enterprises considered as units, just as the planning department of the general administration of any of the unit enterprises establishes co-ordinating standards for its sales, production, finance, purchasing and personnel departments, and just as the planning department of the shop establishes co-ordinating standards for the unit work-places in the shop. On the other hand the actual conduct of operations to accomplish the predetermined co-ordinated results may be left to those best informed concerning the variable conditions of accomplishment in the several local areas.

Furthermore, this harmonization of centralization and decentralization over ever larger areas of management has tended to bring with it greater democracy within the enterprise. Scientific management is realistic; as has been said, it attempts to establish a reign of the laws of a situation. To have validity and durability these laws must be found in the situation and not be imposed upon it from without. The process of discovering them in a situation and of formulating them for common observance according to logical relationships and responsibilities is an experience in co-operation, which is an experience in democratization. The harmonizing of centralization and decentralization is not unrelated to the progressive stabilization of industrial relations described in an earlier section.

It should be noted - a fact of transcending importance - that the ability to control huge multi-plant enterprises through harmonizing of centralization and decentralization is possible only where there is a preceding progressive development of scientific management in every lesser area of an enterprise; in unit operations, production in general, merchandising, general administration and human relations. It is the splendid fruit of these basic developments. Control of such huge enterprises is dependent on controls throughout every unit of the enterprise; the larger an area of control, the more essential is control in every constitutent unit. Therefore effective rationalization of an entire industry, or of all industry in a nation, is possible only to the degree that constituent plants are scientific management plants.

It is therefore apparent how fundamental are the principles derived from the technique first developed by Taylor, the young assistant foreman, to co-ordinate and control a small group of machines in the shop at Midvale back in the early eighties. He summoned inductive science to his aid. Investigation and experiment disclosed a new world of facts and principles. In the light of these principles he established a new, universally-applicable technique of management, involving research, standardization, control and co-operation. Although devised to solve the problem of managing only a small group of machines, this technique is so fundamental that it has been applied progressively to management of the entire shop, to management of the entire enterprise and to management of groups of integrated enterprises.

So much for individualistic enterprise. But there remains the inevitable question: Can society adapt this technique to the management of its industry on a still larger scale - collectively - at the same time preserving the values of individual initiative and self-expression as they have been heretofore preserved in the onward march of scientific management?

STABILIZATION OF AN INDUSTRY.

The United States has not had experience in the stabilization of entire industries. That has been impossible because of a philisophy of individualism and competition which dominates public opinion and is expressed in legislation. An outstanding characteristic of legislation affecting business during the past half century has been its aim, on the one hand, to avoid government ownership or control and on the other hand, to prevent in private industry the formation of trusts, combinations and various types of agreement which would bring centralized control of an industry. That the members of an industry should be permitted to get together for the purpose of stabilizing it, is a concept shocking to general opinion - and not unreasonably in the light of past experience. That stabilization through government control should be thought of at all is even more shocking to industrial opinion in particular. In the face of an integrating technology the government has attempted to

preserve primitive forms of competition. But there is an emerging public consciousness of inconsistency between the motives and procedures of productive technology and those of competitive enterprise. There is thinking about it in these days of severe depression as never before; for the logic of technological development is pressing for a solution of the problem of instability on the scale of entire industries.

Notwithstanding basic assumptions, technological development has already had some slight influence in modifying the conditions of blind competition. In one instance this has been quite open, but in most instances indirect and gradual. Legislation governing the organization and operation of railroads is openly a consolidating and stabilizing influence under government regulation. The decisions of the Supreme Court have of late tended toward a more liberal interpretation of the restrictive legislation affecting group conduct. The attorneys general have been cooperative in permitting "uniformity of policy and practice which will be of assistance to business men who desire by co-operative methods to eliminate waste and unfair practices in industry and at the same time keep strictly within the law." [27] The Federal Trade Commission holds conferences with representatives of trade association executives and announces that its meetings are "further evidence of the desire of the commission to enlist the co-operation of business men in the discharge of its functions on the basis of confidence and understanding. [28] The Department of Commerce has for a decade been promoting a movement toward greater standardization of the products of each trade, and in some industries has achieved noteworthy simplification of varieties. Certain industries, notably the steel industry, have established institutes to accomplish such stabilization as is permitted by law, and not a few industries have appointed individuals - "dictators" - with authority of the industry to promote regularization through agreements as to common practices. The device of the holding company has had strong influence toward regularization, for it brings legally separate enterprises under the ultimate direction of concentrated ownership. Nearly every

[27] Trade Association Activities, Washington, D.C., U.S. Department of Commerce, 1927, p. 2.
[28] Ibid.

industry has its trade association which attempts to achieve some degree of regularization through educational processes. While there has not been, and could not at present be, any effort to organize any industry with such stabilizing effectiveness as that of some of the competing individual members, there has been progress in establishing uniformity of operating practices by making the best elements of technology and data concerning basic conditions of the industry common information of all members of an association.

These associations are not permitted to engage in activities which would suppress competitive conditions. They may not restrain trade through concerted selling operations, concerted exclusion of outsiders from a market, agreements to curtail production or price-fixing agreements. On the other hand, they may regulate competitive conditions by maintaining exchanges of buyers and sellers, collecting and distributing statistical information concerning business and the particular industry, interchange of patent rights, interchange of credit information, joint negotation of purchases, standardization of products and trade practices, the development of business standards, stimulation of demand, co-operative insurance, traffic bureaus, arbitration of disputes and co-operative research in management, as well as other phases of technology. [29]

Observe that while those things which they may do tend to promote uniformity in details of productive technology and commercial practices, it is those things which they are not permitted to do which are essential to stabilization of an industry. A budget for general administrative control of an industry conceived as one great enterprise, adjustment of consolidated sales to the consolidated market, or of consolidated production facilities to calculated consolidated demand, and the routing and scheduling of operations to individual enterprises (the workplaces of the industry) are impossible. Yet it is these things, as we have seen, which on a smaller scale have achieved stabilization of individual enterprises. It is failure to regularize competitive business enterprising as distinguished from technological

[29] Trade Associations: Their Economic Significance and Legal Status, New York, National Industrial Conference Board. 1925, passim.

processing that is responsible for such periods of depression as the United States is now compelled to suffer.

In this field the influence of scientific management has been limited. It has had influence on the development of technological uniformity among competing enterprises, especially as it has been brought about by trade associations and institute activities. The leaders of an industry who conceive the necessity and promote the organization of a trade association, and who serve on the directorates of these associations and determine their practices, are generally those individuals whose plants constitute the progressive group in the industry and have been strongly influenced by scientific management. The mental attitude of the managements of these plants, and some of their adapted technique, are carried over into the organization and operations of the trade associations. Such regularization of the industry as is permissible by law becomes the objective of the trade association just as it is the objective of individual plants. Investigation - the collection of technical and general trade information - is usually an important activity of the trade association. Standardization of procedures of managerial technology, such as cost accounting, and, to a certain extent, of products and materials, also is an important activity.

As a result of trade-association investigations and reports there is progressive accomplishment in helping member concerns to be more informed concerning the general technological and competitive situation in an industry. What items to produce, and their quantities, markets, costs and prices, are brought into some slight degree of informal adjustment by the fact that legally separate enterprises make their individual decisions more intelligently on the basis of an increasing amount of common information concerning these things in the industry.

The stabilization of an industry in this casual manner is superficial and relatively ineffectual as contrasted with the stabilization of the individual enterprise which we have described. Any organized planning agency for planned control of an entire industry is legally impossible. Also the researches, investigations and standardization which are carried on are not determined

by specific problems of control and therefore have not that inclusiveness, uniformity, consistency and general adequacy essential to effective regularization. The railroad industry through government regularization has become more stable than any other; the steel industry, because of the influence of one great corporation among competitors limited in number by the costs of capital investment, perhaps ranks next in stability; the electric light and power industry through a pyramid of holding companies is becoming more stable. Except for these three instances, and the superficial regularization of other industries through the forces already indicated, the United States has no experience to offer along the line of stabilization of entire industries.

Yet the idea of stabilization of entire industries is at present receiving considerable thought in the United States. History is repeating itself. Just as it was once perceived that in an individual enterprise a workplace cannot be made stable without regularizing the entire shop, and production cannot be made stable without regularizing the volume of its business, so American managements are beginning to perceive that they cannot make an individual enterprise reasonably stable without regularization of the environment represented by the industry of which it is a competitive unit. But it is the leaders of the stronger industrial enterprises rather than the general public whose thoughts are turning in this direction. The former are thinking about the opportunities for regularization without sacrifice of individualism, which repeal of the restrictive legislation would afford. They do not think it wise to be too vocal in this thinking - a public utterance now and then is all that is discreet lest the fears of citizenship for monopolies be again revived. The general public, on the other hand, perhaps fascinated by the experiment of the Soviet republics, is thinking more about stabilization of the total industry of the country. This more inclusive concept, however, assumes as essential thereto, and as a matter of course, without much discussion, the concomitant stabilization of each component industry.

SCIENTIFIC MANAGEMENT AS A TECHNIQUE

STABILIZATION OF NATIONAL INDUSTRY.

The depression of 1929-1931 has had a profound influence on thinking in the United States. There are several reasons for this. The relative number of unemployed is probably greater than that of any previous depression. The industrial activity of 1929 was the most intense in American history and the psychological reaction to sudden depression correspondingly severe. There has been during the decade a considerable amount of technological unemployment, resulting from widespread introduction of new mechanical equipment and from consolidations, and this has affected not only skilled workers but also executives, and has given these intelligent groups cause for serious thought. The incomes of a majority of the people have declined and their standard of living has been reduced, which has caused a widespread feeling of economic insecurity. It should be observed, parenthetically, that psychologically the base from which security is measured is not a subsistence income but that income to which one has become accustomed. There is also the influence of the fascinating experiment offered by the Soviet republics. For these and other reasons the present depression has stimulated more questioning about the organization and management of industry than any similar national experience.

Those in the United States who hold doctrines which answer this questioning by advocating immediate nationalization of industry are few in number. But many conservative leaders of thought recognize that the feeling of economic insecurity affects so large a proportion of citizens that democratic processes of government may lead to remedial legislation which, if unplanned and piecemeal, may increase rather than reduce industrial confusion, and lead eventually to an irresistible movement for nationalization. To avoid this highly probable outcome in particular, and in general to preserve a system in which social organization and development is left to individual self-interest and initiative, they are giving attention to the problem of a better control of industry through some individualistic form of national planning.

The most conspicuous reaction to the present situation has been

an increasing interest in measures for relief of unemployment; something more automatic and positive than emergency and temporary organization for application of the contributions of charity, which has heretofore been depended upon. The device which receives most favor is unemployment compensation. Several of the larger corporations are making experiments in that direction. Probably the majority of industrialists believe that the establishment of systems of unemployment compensation should be left to individual initiative, each organization taking care of its employees in this manner. Many students, however, hold that there will never be any significant amount of unemployment compensation if its establishment is dependent upon individual initiative. They argue for some system of universal compensation mandated by the state, compensation to be made from a fund accumulated, not by taxation, but by annual contributions of employers, or of employers and workers jointly. Bills of this nature were introduced in the legislatures of several states during the early months of 1931.

Most of the thinking about unemployment compensation regards such compensation as a relief from conditions which cannot be avoided. Some, however, would construct the system in a manner which would require annual contributions to the fund in proportion to a contributor's spread between maximum and minimum payroll during the year, and thereby create an incentive for greater caution both in expanding and contracting employment. This would create by the state an incentive for better management and stabilization in every contributing organization.

The influence of the depression has been so marked that some leaders advocate more than unemployment compensation. Believing such compensation alone would not be a sufficient stabilizing influence, they are thinking audibly about control of industry through some form of national planning. Such leaders as Owen D. Young, Chairman of the Board of the General Electric Company, Alfred E. Smith, four times Governor of the State of New York and recent candidate for President of the United States, Glenn Frank, President of the University of Wisconsin, and the Rev. Harry Emerson Fosdick, pastor of the Riverside Baptist Church, New York, have publicly declared that lack

of economic statesmanship in general and of national planning in particular, are the causes of depression. At its annual meeting in December, 1930, the American Society of Mechanical Engineers modified its usually highly technical programs by the inclusion of a session devoted to discussion of national stabilization. The necessity for national planning was strongly emphasized.

Generally in these discussions the principle of control through planning, already proved in shop management and general administration, has been referred to as applicable on a national scale. [30]

In 1929 the Committee on Recent Economic Changes of the President's Conference on Unemployment, declared in its report: [31]

> With greater knowledge of consuming habits, with more accurate records of the goods consumed, a sensitive contact has been established between the factors of production and consumption which formerly were so often out of balance... To maintain this balance and to extend it into fields which are not now in balance with the more prosperous elements of the nation, is clearly an important problem of leadership.... Our complex and intricate economic machine can produce, but to keep it producing continuously it must be maintained in balance.... Informed leadership is vital to the maintenance of equilibrium. It depends upon a general knowledge of the relations of the parts each to the other. Only through incessant observation and adjustment of our economy, can we learn to maintain the economic balance.

This report was rendered during the height of the 1929 industrial activity. It made little impression on the public. Perhaps the phrase: "a sensitive contact which has been established between the factors of production and consumption which formerly were so often out of balance", was read as an assurance that complete and permanent balance already had been achieved!

In December, 1929, with the above Committee Report as a basis, the Taylor Society at its annual meeting opened public discussion of the problem, and emphasized the question whether economic balance does not require that the technique of planning developed

[30] For current magazine comment cf. The New Republic, December 10, 1930, p. 85; and Commerce and Finance, December 24, 1930, p. 2350.

[31] New York, McGraw-Hill Book Company, 1929, Vol. I, pp. xxi, xxii.

in individual enterprise should be applied on a national scale.[32] Again at its annual meeting a year later, December, 1930, the Society provided for continuation of the theme by offering certain definite propositions for discussion under the caption: "A New Challenge to Scientific Management". These propositions should be of interest to this Congress.[33]

The propositions presented for discussion this evening center about the concept that the operations of industrial society are not yielding the greatest possible good to the greatest number of industrial citizens. This is because these operations are not now, although formerly they may have been, organized with that end in view; and more particularly because of an inconsistency between the basic principle of business enterprise - individual self-interest and intuition - and the basic principle of the production technology which that enterprise, without full appreciation of its influence, has come to use - co-operative integration. The result of this inconsistency is periodic dislocations of industrial processes, stoppage of livelihood activities and of income for a large proportion of the population, and consequent ultimate impairment of progress toward a balanced and harmonious social life.

In its general outlines the concept is not new. For centuries there have been those, who, dissatisfied with the economic conditions of their lives, have constructed utopias and formulated doctrines of a better organized society. On the whole, however, these utopias and doctrines have not been in accord with the possibilities presented by the technologies of their respective times, and have involved sudden and revolutionary change.

The conspicuous new element in the concept today is recognition of present characteristics of industrial technology, which has undergone great and rapid change during the past half century. What is involved in the present approach to the problem is not revolutionary reconstruction but evolutionary consistency. It is argued that new principles of organization and control of individual enterprises, and of integrated groups of individual enterprises, have been developed and validated, and that if these were applied to the organization and control of industrial society conceived as an organic whole, many and perhaps most of the forces which now cause periodic dislocations and distress in industrial life would be eliminated.

With this brief explanation the following propositions are submitted for discussion:

Proposition 1. Scientific management has given the individual industrial enterprise, whether single unit or multiple unit, a body of principles and a pertinent technique of management involving:

[32] Bulletin of the Taylor Society, Vol. XV, No. 1, Febr., 1930, p. 2.

[33] Bulletin of the Taylor Society, Vol. XVI, No. 2, April, 1931

a. Research in its various forms - the basic approach to a solution of the multiple problems of management;

b. Standardization - the specification of purposes, policies, plans, projects, facilities and methods, as the relatively constant factors in terms of which plans may be made and their execution directed, measured and appraised;

c. Planning and control - the organization and direction of the application of facilities along predetermined lines for accomplishment of purposes, policies, plans and projects;

d. Co-operation - recognition and acceptance of the laws governing managerial situations discovered by research, formulated in standards and utilized in planning and control.

The application of these principles has demonstrated the practicability of internal stabilization of the individual enterprise: i.e., control of variation in the relations and composite influence of the internal factors of the enterprise. The elimination of internal maladjustments, except when caused by the impact of forces outside the control of the management, may be regarded as practicable.

However, it should be noted, the internal stability of an enterprise established by scientific management is frequently nullified by the impact of forces of the industrial environment outside the control of the management. Proposition 2. During the past century, and with rapid acceleration during the past quarter-century, production technology has developed along the lines of increasing mechanization, and of specialization and division of labor not only as between individuals in a particular enterprise but also as between enterprises and functional groups of enterprises. This has created an increasing interdependence among individuals, enterprises and groups. These organic inter-relationships are so intricate and delicate in their adjustments as to expose the industrial organism at any one of numerous points to maladjustment which is reflected all along the line of inter-relationships. These maladjustments occur periodically, and take the form of a serious stoppage of productive processes and of the distribution of social income, with serious consequences to numerous individuals who are dependent upon that income for maintenance of their standard of living, and in some instances for their subsistence; and with serious consequences also to enterprises which are dependent for maintenance of stability upon continuous transformation of material goods into free capital for reinvestment.

Proposition 3. There are two principal reasons for these maladjustments of organic relationships and their serious consequences. On the one hand, the adjustment of relationships is left to the "working of natural economic forces" in the negotations of business - really the chance composite influence of a vast number of enterprises motivated by individual gain in competitive activities, limited in their perception of relationships and the organic consequences of their activities, and on the whole dependent upon intuition for their decisions as to purpose and

method. On the other hand, the organization and direction of established social mechanisms upon which even individual enterprise has long been dependent, such as currency and credit, is along similar lines of individual initiative, control and intuition.

In other words, the basic individualistic processes of business enterprise no longer operate in harmony with the vast super-structure of inter-related technological processes of the actual production of social utilities. This absence of harmony is not merely negative, but is a positive force generating periodic dislocations more and more destructive in their influence in the whole social structure.

Proposition 4. This lack of harmony between the processes of business enterprise and the technological processes of production of utilities may be removed or at least measurably reduced by deliberate efforts of industrial society to bring them into harmony; efforts which presumably must proceed along the following lines:

a. Common recognition of the problem and analysis of its causes and consequences;

b. Voluntary establishment of some form of self-government in industry dependent for its effectiveness on the acceptance by individual enterprises, for the common good, of the necessity for greater limitation to individual freedom in business activities than is at present assumed to be desirable;

c. Application of the principles of scientific management developed and validated in the individual enterprise (as presented in the first of this series of propositions) to industry conceived as one vast enterprise in which all members of industrial society are workers and shareholders in common.

Inasmuch as the application of these principles has in individual enterprises increased the opportunity for adjustment, initiative, self-expression, accomplishment, and stabilization of purpose and effort on the part of those co-operating in these enterprises, it is a reasonable assumption that the application of these same principles on a larger scale will promote more generally throughout industrial society opportunity for adjustment, initiative, self-expression, accomplishment, and stabilization of purpose and effort on the part both of individuals and enterprises.

The co-operation integration with which these propositions declare business enterprise must be brought into harmony is the result of a number of forces which have influenced American industry. Conspicuous among these is scientific management. It, in its way, gives the world a new capacity for productivity and a new delicacy of relationships in that productivity. Conspicuous also is large-scale enterprise, which in its way gives new capacity for production, and at the same time, by gathering huge blocks

of capital and labor into single enterprises in an individualistic, freely competitive economy, concentrates risks and multiplies the number of individual maladjustments resulting from maladjustment of a single enterprise. It is becoming apparent that the scientific management which has given a nation new productivity must be applied to at least national planning of the use of the productivity for the purpose of establishing national stability.

Europe is more familiar than the United States with this concept of national planning and control of industry. Before the war, development of the cartel represented a first step toward national direction of the organization and forces of an industry. The necessities of war compelled a more far-reaching control of national industries in the several European countries than in the United States. Post-war rehabilitation problems have required continuation of a larger degree of national direction of industry than in the United States, and have stimulated consideration of it as a permanent national policy. The writings of Walter Rathenau, justly called the father of rationalization, carrying the credentials of Rathenau's genius as a successful organizer and administrator, have made a profound impression on European thinking. It is on this plane — the national planning and direction of industry — that rationalisation and scientific management meet and merge into each other. Rationalization, expressive of national stability as a desire or goal, lacked only a detailed technique. Scientific management brings this technique. Scientific management, originating in individual enterprise and never conceived at the beginning as affecting any area larger than the individual organization, but having a strong social sensitiveness, lacked only the occasion for definite formulation of a larger social mission. The concept of rationalisation has brought such a mission to it. The vision of national stabilized industry created by one, and the technique of establishing stability created by the other, may now merge into one creative whole of purpose and technique.

INTERNATIONAL STABILIZATION OF INDUSTRY.

Those who are not afraid to take the next step in thinking compelled by the logic of experience, see clearly that the progress of regularization cannot stop even on the plane of national stabilization. National stability cannot be completely established without international stabilization. As we have said, one thing is written clearly in the history of scientific management; namely, that no lesser area can be completely stabilized if an environing area is left unstabilized. Complete stabilization of the workplace compelled stabilization of the shop; complete stabilization of the shop compelled stabilization of the enterprise; and many now recognize that complete stabilization of an enterprise requires stabilization of industry on a national scale. Finally, as J. A. Hobson says in a statement in which the word rationalization is loosely employed:[34] "The world is in effect a single economic system, and the improved or impaired productivity and consumption of every part affects every other part. Closer and more effective international movements for such improvements in the distribution of income as will enable world consumption to keep pace with and stimulate improvements in production, form the foundations of the progressive economy and the humaner civilisation of the future. This can only be achieved by carrying the principle of rationalisation a step further."[35] Logic compels us to consider the necessity of ultimate stabilization of world industry by world-scale application of the principles of scientific management. All the forces of national habits, prejudices, chauvinism and entrenched self-interest, are arrayed against such an ultimate application of the principles. Yet boldness in thinking and eventually in conduct ever have been the basis of progress.

A citizen of the United States must acknowledge frankly that,

[34] The term rationalization is given so many meanings in current European usage that it is losing distinctive meaning. To the present author the term rationalization connotes primarily the desire or goal of collective organization of industry without implication of the technique of achieving it; while scientific management connotes primarily a technique of organization and management without implication of the area to which it is applied.

[35] Rationalisation and Unemployment, New York, The Macmillan Company, 1930, pp. 124, 125.

as evidenced by the record of international relations, his country is likely to be the last one to give effective response to this concept of international stabilization. But let us not forget that the American is flexible and adjusts himself to new requirements perhaps more readily than most peoples. A continent of rich natural resources has made him self-sufficient. The task of exploring and subduing that continent has occupied his interest and energies. Until recently there has been no need for him to be internationally minded. Very recently, however - within months rather than years - there has been startling evidence in the press that industrial leadership in the United States has begun to think internationally. From time to time there have been public utterances indicating that influential leaders have come to realize that the new industrial technology and its relationships are international, that international factors play an appreciable part in the depression from which we are now suffering, and that the problem must be attacked on an international plane at the same time it is attacked on a national plane.

There are several reasons why these leaders have within a short time acquired a new outlook. The United States has become a creditor nation and it is recognized that a creditor nation must have close and stable international relationships. Many industries have become so productive that open international markets are essential to preserve the capital already invested, and the managements of these industries perceive that the state of industrial collapse and restricted purchasing power throughout the world, and an intensified nationalism expressed in higher tariff barriers, are obstacles to world trade. Other industries, such as oil and sugar, have come to realize that intensive competition in these basic necessities on a world scale can be industrially and socially disorganizing.

This new outlook has been expressed during the past six months by a succession of public utterances which, in the weight of influence behind them, are suggestive of an eventual about-face in the mental attitude of the United States toward international relations. Owen Young, Chairman of the Board of the General

Electric Company, at a dinner of the Lotus Club [36] declared that politics and economics are in conflict; that the former is becoming more nationalistic the world over, while the latter with great rapidity is becoming more international. Economics is refusing to recognize frontiers and is forcing itself toward an integrated world. This conflict between politics and economics, he said, is one of the causes of present world troubles.

A week or so later Thomas L. Chadbourne, an attorney representing American sugar interests at the Brussels international sugar conference, [37] argued before that conference that all industries have been led by greed to transgress economic laws; that the underlying issue of rehabilitation of production and consumption on a balanced basis is greater than that of the sugar industry alone; that the capitalistic system is on trial.

In January Paul M. Warburg, Chairman of the Manhattan Company, New York, and director in several banks, condemned the isolation attitude of mind; [38] Virgil Joran, economist of the National Industrial Conference Board and an editor of The Business Week, New York, advocated international stabilization of money; [39] Albert H. Wiggin, Chairman of the Chase National Bank, New York, recommended reduction of war debts and lowering of the tariff; [40] and E. N. Hurley, President of the American Manufacturers' Export Association, Chicago, asserted that the stimulus to European industry through reduction of war debts would be also a stimulus to American industry. [41] In February George E. Roberts, Vice-President of the National City Bank, New York, recommended international stabilization of gold; [42] and John McHugh, Chairman of the Executive Committee of the Chase National Bank, New York, took a stand with

[36] The New York Times, December 7, 1930.
[37] Ibid., December 12, 1930.
[38] Ibid., January 9, 1931.
[39] Ibid., January 11, 1931.
[40] Ibid., January 12, 1931.
[41] Ibid., January 29, 1931.
[42] Ibid., February 1, 1931.

those advocating tariff reduction.[43] In March Dr. Benjamin Anderson, economist of the Chase National Bank, also spoke in favor of tariff reductions.[44] The following is a quotation from the address of Mr. Wiggin, noted above: "Is it not to be hoped that even the blindest among us may now begin to see that our prosperity is interlocked with that of our neighbors and customers....?"

It should be understood, of course, that these leaders are representatives of the most strongly intrenched capitalistic industry in the world and are faithful to it; and that they are not implying that capitalistic industry should be replaced by any other form of organization of industrial society. But they have the vision to see and the boldness to declare the evils that result from the discrepancy between particularistic political economics and realistic industrial economics; and to challenge industry to attack these evils.

As these evils are attacked it will be more and more realized that the world is not merely an aggregate of unrelated units in a plus relationship, but an organism of integrated members. An evil to one is an evil to all. An evil to a fraction of the whole shakes the security of the whole. Remedies must be applied all along the line simultaneously to each unit and to each minor and major group of units. International stabilization will be found to be related to national stabilization; the latter to stabilization of each major industry; this latter again to stabilization of each constituent enterprise; and consequently any of these to all the others.

Therefore the technique of stabilization of industry internationally must correspond to the lines of stabilization of national industry, and that to the lines of stabilization of each constituent enterprise. On none of these planes will arbitrary, autocratic, impulsive attempts to regularize through mere particularistic contracts or other forms of agreement be adequate. The basic conditions of regularization and the part which each unit and group is to take must be discovered by research; these must

[43] Ibid., February 18, 1931.
[44] Ibid., March 22, 1931.

be formulated through standardization into individual, national and international rules of conduct; control by understanding observance of these standards must be realized; and permeating all must be a spirit of inter-individual and international co-operation. This would be scientific management on a world plane.

If our world were a wise world; if it could perceive that most of the urgent problems disturbing it reduce to the common denominator of disorganizing particularism; if it had the will to cast this aside and the courage to act promptly; then the year 1932 would be an annus mirabilis of simultaneous correlated conferences; a great international conference working out regularization of world industry; an industrial conference in each nation working out stabilization of national industry; national and international conferences of great industries, each creating for itself a reign of law; and in every industrial community co-operative efforts of individual enterprises to apply the stabilizing force of scientific management. These conferences would approach their tasks not with the spirit of political discussion and negotiation, but with that of creative reorganization. Through these a world adrift could eventually be brought to helm and guided into calmer seas of sound human relationships. In further drift there is danger of being shattered upon the rocks of blind industrial and political conflict.

statistically established trends and relations of the past would continue in the future. They also used "expert opinion", "gradual approximations", but the method of balanced coordination of the separate economic elements was very little applied.

The control figures of 1926-27 were a great improvement, as also were the control figures of subsequent years. This was due to the completion of the process of restoration of the productive forces of the country. This restoration involved considerable technical reconstruction and much radical social economic reconstruction. There was a growth of planning organizations. Planning organs sprang up in all the large territorial units in the country. There was an improvement in the statistical material, etc. The capital funds investments section began to occupy a prominent place in the control figures. A distinct division with reference to economic "sectors" was introduced namely: (1) state enterprises; (2) socialized cooperatives and collectives; and (3) private enterprises and concessions. District control figures also began to be compiled. The balancing method was adopted; in 1927 an accurate and exhaustive grain and fodder balance was drawn up. A beginning was also made in calculating the total national income. Despite covert resistance and the sabotage of the supporters of the bourgeois system in the State Planning Commission which subsequently came to light, the plans and their execution showed a continuous and rapid growth. The socialist elements more and more assumed predominance in all spheres of national economy. The steadily developing "socialist offensive" of the working class and poor peasantry, based on the restoration of industry and the great expansion of resources, guaranteed the rapid technical re-equipment of industry and the construction of new gigantic and technically perfect works as well as the technical re-equipment of agriculture, which pre-supposed concentration of production. This brought with it at last the entry of peasants into the collective farms. It also meant the social isolation and liquidation of the remnants of the rural bourgeoisie - the kulaks. The remnants of the bourgeoisie were also driven out of their lease-hold enterprises in industry. The resistance of the kulaks to the "socialist offensive" led to temporary difficulties on the agricultural and

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Europe. I agree on this point, but not if the conclusion is that the actual fact of the existence of so many nationalities should be stressed by an artificial preservation of these nationalities in the hothouse of a sheltered economy. The suppression of these barriers is not even the same question as that of the removal of picturesque old town walls, for the actual tariff barriers are in a large degree very new, though not necessarily quite modern.

One of the tasks which ought to take a prominent place in European public opinion, is the cooperation of the States, without which economic planning will remain impossible, without which, especially, a system of mass distribution cannot be generalized in Europe. I regret to be obliged to add that there are no reasons for great optimism here. With Dr. Lazard, I am of opinion that cooperation in the sense of tariff reductions might eventually be reached if the States would come to a political understanding. But even in this world crisis, it seems difficult to bring the States to a cooperative way out.

Another remark which I would like to make about mass distribution is that it is not a matter of indifference as to what kind of products are thus produced.

The business man of to-day asks only whether a demand exists or may be provoked, whether mass production and distribution will pay, will produce profits. This ought not to be the only criterion. If mass production and distribution, as part of world economic planning, are to serve their purpose, then the dominating idea must be the service of mankind. The value of a product, and therefore the importance of its mass production and distribution, depends upon its contribution to the real happiness of the people.

I cannot develop this point but perhaps I may all the same give one or two examples.

The increasing tendency noted in the U. S. A. towards taking meals in restaurants, is destructive of family life. It may be profitable to induce people to adopt this way of living, but from a Christian and social point of view, we want to point out the danger involved. The generalisation of electrical appliances for home use, on the other hand, may be of great value. For the

may make minor changes in the law on the proposition of interested governments, and the changes then become the law for all.

In addition to the communication of intelligence the means of transportation of passengers and goods have been widely regulated by international agreement. On the international territory of the sea, the lanes of traffic, the rules of the road, are laid down, not by the will of one country, but by the will of all, and it could not well be otherwise. If a Norwegian ship showed a green light at starboard, and a red at port, an English vessel the contrary; if a Swedish ship on passing turned to the right, a French ship to the left; the resulting confusion would make navigation dangerous and international disputes many. The common international interest lies in having a single rule, which, as the international will, is carried out by the legislature, by the courts and by the administrative agencies of most of the governments of the world.

International rivers were the first of the means of transportation to feel the need of international legislation and administration. It would not be possible to transport the great tonnage that goes up and down the Rhine were the rules of the road on the river and the regulations as to the loading of boats different in each country through which that great river runs. If each country were free to put bridges or dams across the navigable channel the primary international interest of transportation would soon disappear. So the riparian states on the Rhine and the other Europeans rivers, beginning 125 years ago, have been developing machinery to secure international regulation and a degree of administrative control by an international body with the final approval of the government. Since 1890 the European railways have been united in a single organization, improved by the new convention of 1924, so that, for the individual shipper of goods, the national boundaries are obliterated and he can in Paris make a contract for shipment to Warsaw which by the signature of the contract by the French railway which receives them, will oblige the Belgian, German and Polish railways to transport his goods to their destination. The conditions of transport and the shipper's right to recover damages for injury to goods in transit

Wie Herr Thomas mit Recht gesagt hat, ging man in der Sozialpolitik vom Standpunkt der allgemeinen Menschlichkeit und Gerechtigkeit aus. Die Arbeiterklasse hat aber schon früh bei ihren Kämpfen für die Verbesserung ihrer Lebenslage mit grosser Klarheit erkannt, dass zwar eine gewisse Besserung in dem Lebensstandard durch sozialpolitische Regelungen zu erreichen ist, dass es aber nicht nur darauf ankommt, wie verteilt wird, sondern wie gewirtschaftet wird. Es ist daher vom Anfang der modernen Arbeiterbewegung an auch die Frage nach dem System der Wirtschaft aufgeworfen worden.

Die Arbeiterklasse leidet in der kapitalistischen Welt unter sehr vielen Nöten. Sie leidet unter der Geringfügigkeit ihres Einkommens, unter der zu langen Arbeitszeit und nicht zuletzt unter der Tatsache, dass sie in diesem Wirtschaftssystem Objekt der Wirtschaft ist. Andere Menschen bestimmen was und wie gewirtschaftet wird und kaufen die Arbeitskraft der Arbeiter, die Objekt und von der Führung der Wirtschaft ausgeschlossen sind. Schon diese Tatsache des Nichtteilnehmens an dem was in dieser Wirtschaft vorgeht muss natürlich die Arbeiterklasse in die schärfste Opposition zu diesem System hineindrängen. Es ist ganz natürlich, dass wenn man von einen System nur die Leiden erfährt und selbst an seiner Gestaltung keinen Anteil hat, man ein Feind dieses Systems werden muss.

Wie sehr die Arbeiter in der kapitalistischen Gesellschaft in der ganzen Welt gerade heute die Leiden des Systems erfahren, das brauche ich angesichts der Millionen von Arbeitslosen, die Ihnen zur Genüge bekannt sind, nicht auszuführen. Aus dieser Situation heraus, aus dieser Erkenntnis von dem radikalen Versagen der bisherigen Wirtschaft, ergibt sich die sozialistische Zielsetzung der Arbeiterklasse.

Innerhalb der Arbeiterschaft ist diese Erkenntnis von der Unzulänglichkeit und dem Versagen des kapitalistischen Wirtschaftssystems nicht Neues. Es brauchte keine Krise 1929/31 zu kommen um zu beweisen, dass dieses System verbunden ist mit Elend und sozialem Unrecht für die arbeitenden Millionen.

play our parts as creators of public opinion The second is that technicians tend to work in separate compartments and the need today is to work together upon a common task. In bringing together those who are representative of the general public life and those who are experts, the thought is to build a bridge of communication and to give each man his function in relation to a common end instead of the separate work of many specialists.

Social Economic Planning is no simple concept. Those who are beginning to study it need a common center. It is of the utmost importance that there be close contact between those who are seeking to establish national planning in different countries. At the same time all national planning should be conceived and administered in the light of international and world points of view for the reason that national planning cannot cover its whole subject without taking account also of international factors. Simultaneously with national action should be the careful study of the way in which World Social Economic Planning might be organized.

To this end a World Research Center is needed to co-ordinate the efforts of the technicians, to direct their attention to the common problems, to agree upon uniformity in statistics bearing upon economic planning, and to develop greater precision in the methods of economic and social research.

In this task many associations and individuals who have not been present at this Congress will be needed. Members of the Congress are conscious of the urgency of immediate action, but it is evident that too definite a formulation of procedure at this moment might prevent a larger accomplishment in the near future. Hence it is suggested that the Program Committee, which has arranged this Congress, should serve for a brief time as an Interim Committee, acting independently of any association, but using The Hague office of the International

SCIENTIFIC MANAGEMENT IN PERSPECTIVE

(THE ORDER FROM LEFT TO RIGHT INDICATES ROUGHLY: (1) CHRONOLOGICAL

GENERAL PRINCIPLES	MAJOR ITEMS OF TECHNIQUE IN INDIVIDUAL ENTERPRISE		
	I. WORK-PLACE	II. SHOP	III. PERSONNEL
RESEARCH in its Various Forms is the Approach to Solution of All Problems of Management.	Engineering Studies in design of equipment. Economic studies in size and output of machines. Methods study Time study Motion study Studies in behavior of materials Studies of skill.	Studies of the relations of facilities and classes of skills available at the various work-places, and of the most effective co-ordination and proportioning of them under varying conditions of the kind and quantity of orders flowing into the shop	Studies in mental and manual aptitudes Studies in personality requirements of various jobs Studies in emotional conditions and reactions Studies of group organizations
STANDARDIZATION provides the Basis of Understanding necessary to Co-operative Effort, through Formulation of Purposes, Policies, Plans, Projecs, Facilities, Methods, Conditions etc., which become Constant Factors in Planning and Execution.	Specifications of Materials Machines Tools and apparatus Product Unit times Methods Jobs Conditions Wage rates Quality Quantity	Specifications covering co-ordination, proportioning and application of skills and facilities under various specified conditions of the kinds and quantities of work. Production schedules	Specifications of personality requirements for various jobs Specifications relating to hiring, promotion and discharge Specifications relating to training and sharing of information Specifications relating to personal and group relations
CONTROL is Effected by Co-operative Observance of the „Laws" inherent in the Situation, discovered by Research and made practical by Formulation in Terms of Standards.	Provision of materials and tools Specification of jobs or operations Inspection of product Inspection of performance	Functional separation of planning and execution Classification of operations Analysis of orders Routing: the analysis of the sequence of operations on a job Scheduling or assignment of operations to various work-places in accordance with routing Inspection: products, results, costs	Systematic intelligent direction of conduct in accordance with specifications indicated above
CO-OPERATION as a Mental Attitude is a Condition of Efficient Common Effort, and as a Mode of Conduct is the Result of the Formulation of Standards of Purpose, Facility, Methods and Relationships.	**As a condition and as a result, co-operation is promoted by the combination of all factors in the total situation: understanding and acceptance of the common purpose; instruction and the understanding of details; acceptance and performance**		

AS A MEANS OF ACHIEVING PROGRESSIVE STABILIZATION

DEVELOPMENT; (2) APPLICATION TO EXPANDING MANAGERIAL AREAS)

MAJOR ITEMS OF TECHNIQUE IN INDIVIDUAL ENTERPRISE			COLLECTIVE ENTERPRISE
IV. MARKETING	V. FINANCE	VI. GENERAL ADMINISTRATION	
Market analysis Quantitative Qualitative Studies of consumer demand Studies of the channels of distribution Studies in methods of selling Studies in sales promotion Studies of competition	Most of data required by this department are procured by other departments, e.g., costs Studies of market for capital Studies of customers' credits and collections Studies of prices of materials when purchasing is speculative instead of routine (e.g., cotton, rubber) Studies of financial ratios	Studies of the state and tendency of — Industry generally The particular industry The particular enterprise Industrial forecasting Studies of managerial operating ratios All researches of all departments contribute to the information required by general administration	Scientific management has not been applied to the stabilization of industry on national and international planes, although experiments pointing in that direction have been initiated. These experiments, however, are not free from simultaneous experimentation in other fields of social organization.
Specifications Sales schedules Quotas: territorial commodity and personal Channels of distribution Methods of selling Prices Discounts Salaries and commissions	Specifications Standard costs Financial ratios	Specifications of Policy Projects Plans Master schedules Master budget Operating ratios Ratios of relationship to the industry generally	
Functional separation of planning and execution	Inspection of financial aspects of management in terms of various ratios	Inspection of: Conformity of operations to budgets and schedules Special attention to exceptional situations Prompt decisions concerning changes in purpose and policy	

of complementary responsibilities; proper selections, assignment and promotion of personnel; provision of adequate facilities; just sharing of the joint economic rewards; humane personal relations; steady provision of work to be done.

EUROPÄISCHE ASPEKTE DER RATIONALISIERUNGS-BEWEGUNG-BEDEUTUNG DES SCIENTIFIC MANAGEMENT FÜR DIE SOZIALÖKONOMISCHE PLANUNG

VON HUGO VON HAAN, ÖST. MINISTERIALRAT a.D., SEKTIONSCHEF IM INTERNATIONALEN RATIONALISIERUNGS-INSTITUT, GENF.

Unverbesserliche Desillusionisten pflegen zwar zu sagen, dass Rationalisierung schon begonnen habe, als Adam sein erstes Steinwerkzeug mit einem hölzernen Stiel versah. Sie hätten recht, wenn das, was im letzten Dezennium unter der Etiquette "Rationalisierung" einhergeht, nichts weiter als technische Vervollkommnung wäre. Rein technisch handelt es sich aber um weit mehr als um normal fortschreitende Vervollkommnung. Das fliessende Band, die modernen Werkzeugmaschinen, der Traktor, der Mähdrescher und die sonstigen landwirtschaftlichen Maschinen, die "Plant without men" in Milwaukee, sind Marksteine einer die Formen und das Tempo stetiger Evolution sprungartig überholenden technischen Revolution. Sie führt in ihrem Gefolge eine Revolution der Arbeit und eine Revolution der Wirtschaft, die ihresgleichen nur in der durch Erfindung der Dampfmaschine bewirkten Umwälzung haben dürften. Man spricht daher von einer "Second Industrial Revolution", in der wir stehen und welche die erste, zu Beginn der Industrialisierungsepoche erlebte Revolution an Umfang, Intensität und Tempo weit hinter sich lässt. Fügen wir gleich hinzu, dass die zweite Wirtschaftsrevolution sich auch dem geistigen Inhalt nach über die erste erhebt, und dass sie dies vorzüglich ihrem amerikanischen Einschlag durch die Doktrin und Technik des "Scientific Management" verdankt.

Nichts Uraltes, "Immer schon Dagewesenes" ist also die Rationalisierungsbewegung, sondern ein Neues. Ein Neues, das, wie so vieles Neue, von der "Neuen Welt" ausging und in seinem Ursprung von einem genialen Amerikaner, F. W. Taylor, stammt.

Die unverbesserlichen Skeptiker werden allerdings auch der Behauptung widersprechen, dass dieses Neue seinen Ausgang in Amerika genommen habe, indem sie auf Fälle von Normung im alten Aegypten, auf Ostwald als den Vater der Papiernormung,

auf manche andere Mittel und Methoden der Rationalisierungstechnik hinweisen, die in Europa simultan oder früher als in Amerika, sogar vor Taylor, erarbeitet worden sein mochten. In achtbarem Kontinental-Patriotismus übersehen sie die Doktrin und Philosophie des "Scientific Management", die ausschliesslich amerikanischen Ursprungs und amerikanischer Prägung ist. Sie allein hat durch praktische Verwirklichung ihrer Prinzipien - Research, Standards, Planning and Control, Cooperation - erst die Atmosphäre und Mentalität geschaffen, welche die grosszügige Umwälzung zuerst in den Vereinigten Staaten, dann in Europa, ermöglichten, die heute unter dem Namen "Rationalisierung" vor sich geht.

Mannigfaltig waren die Kanäle, durch welche die Kunde vom amerikanischen "Scientific Management" ihren Weg nach Europa nahm:
Zunächst geschah dies durch jenen Schwarm von Amerikareisenden, der sich nach Kriegsende in die Vereinigten Staaten ergoss und Europa mit zahlreichen Amerikabüchern versah (Köttgen, Hirsch, Feiler, Bonn in Deutschland, Siegfried, Philippe, Dubreuil in Frankreich, um nur einige der wirkungsreichsten zu nennen).
Uebersetzungen der Werke von Taylor und anderer "Pioniere des Scientific Management" in allen europäischen Sprachen sind dieser Amerika-Literatur beizuzählen. Sie verbreiteten rasch die bereits knapp vor dem Kriege in manchen Ländern und Milieux Europas eingedrungenen Ideen des "Taylorismus", welche da und dort bereits in besonderen "Taylor-Gesellschaften", "Vereinen von Amerika-Freunden", und dergleichen, gepflegt wurden. Den anglosächsischen und den nordischen Ländern mit weitgehender Kenntnis der englischen Sprache stand die amerikanische Management-Literatur in der Originalsprache naturgemäss zu noch viel unmittelbarerer Verfügung.
Wenige Jahre nach dem Krieg waren die Fachkreise Europas allenthalben der neuen Anstösse aus Amerika bewusst geworden, als der von der Tschechoslovakischen Regierung über verdienstvolle Initiative ihres Gesandten in Washington einberufene In-

ternationale Scientific Management Congress in Prag, 1924, den europäischen Fachkreisen Gelegenheit bot, von einer stattlichen Reihe von Fachmännern des amerikanischen "Scientific Management" über diese Bewegung unmittelbare und lebendige Kunde zu erhalten.

Diesem mächtigen Anstoss verdankt die internationale Rationalisierungsbewegung ihre Entstehung, die zur Verbreitung des Scientific Management in Europa durch ihre stets von zahlreichen Amerikanern besuchten grossen Internationalen Kongresse zu Brüssel, Rom und Paris, mächtig beigetragen hat. Sie gewann ihre permanente Form im Internationalen Rationalisierungs-Institut in Genf, das wesentlich über Initiative und mit Hilfe Amerikas und zu dem speziellen Zwecke gegründet wurde, die Entwicklung der Scientific Management Bewegung in den Vereinigten Staaten zu verfolgen, und die besten ihrer Früchte und Lehren Europa - in seine Denkweise übertragen und seinen besonderen Verhältnissen angepasst - zur Verfügung zu stellen.

Als ein weiteres, und nicht das schwächste Agens zur Verbreitung der amerikanischen Lehren in Europa und insbesondere zur praktischen Anwendung der Methoden, zur Verwirklichung des Scientific Management in den europäischen Betrieben und Unternehmungen, ist die Tätigkeit einerseits von amerikanischen Management Engineers zu nennen, die sich in verschiedenen Ländern Europas als Organisations-Berater betätigten, andererseits jene europäischen Ingenieure, Betriebswissenschaftler und sonstigen Fachleute, auch Werkstudenten, die - gleichfalls meist mit amerikanischer Hilfe - auf längere Studien -, bezw. Arbeitsaufenthalte nach Amerika, in die amerikanischen Betriebe gingen.

MANNIGFALTIGES AUFGEHEN DER AMERIKANISCHEN SAAT IN EUROPA.

Wir wissen nicht, inwieweit es gerechtfertigt ist, von einer einheitlichen Bewegung in Amerika zu sprechen, wo die Hoover'sche Aktion zur "Elimination of Waste", die grosszügige nationale Normungstätigkeit, ferner die unter dem Namen "Fordismus" bekannten Wagnisse der Massenproduktion, Mas-

sendistribution, die Propaganda für hohe Löhne und niedere Preise, als ziemlich selbständige Bewegungen neben und ausser der eigentlichen Scientific Management Bewegung einhergingen, ohne dass das Ganze der Reformen und neuen Tendenzen auch nur durch einen Sammelnamen wie "Rationalisierung" zusammengefasst worden wäre.

Sicher aber ist, dass in Europa, obgleich der einheitliche Sammelname "R a t i o n a l i s i e r u n g" gerade hier aufgekommen ist und in breiter Anwendung steht, von einer einheitlichen Bewegung nicht gesprochen werden kann. Vielmehr ist hier die amerikanische Saat in einer u n g e m e i n m a n n i g f a l t i g e n W e i s e aufgegangen, und die Ueberschrift dieses Berichtes im Kongressprogramm wäre besser in die Mehrzahl zu setzen: "Gesichter der Bewegungen in Europa".

Die Ursachen dieser V e r s c h i e d e n h e i t e n in den Aspekten der europäischen Rationalisierungsbewegungen sind mannigfacher Art.

Zunächst trägt schon die V e r s c h i e d e n h e i t der im vorangehenden Abschnitt beschriebenen U e b e r t r a g u n g s k a n ä l e dazu bei, dass die amerikanischen Anstösse, mochten sie auch aus einer einheitlichen Bewegung entspringen, systemlos mit ganz veschiedenartigem Qualitätsgehalt und Verbreitungsimpuls herüberkamen und hier in Europa zu mehr oder weniger zufälligem Wirkungserfolg mit mehr oder weniger grossem Aktionsradius gelangten.

Was stand in den Amerikabüchern zu lesen? Wie viel wurden sie gelesen? Was hat man aus den Gedanken Taylors und der Klassiker des Scientific Management in der Uebersetzung gemacht? Wie viel davon wurde von den europäischen Lesern wirklich und richtig verstanden? Welche Ausstrahlungen hatten die grossen Kongresse zur Propagierung durch das Wort einer Bewegung, die durchaus Tat ist? Wie fasste das Genfer Institut seine Aufgabe auf, welche Anstösse vermittelte es aus Amerika nach Europa und wie? Was endlich machten die Ingenieure und Studenten aus ihrem Amerikaerlebnis in der europäischen Praxis?

So viel Fragen, so viel Möglichkeiten einer verschiedenartigen Uebertragung der amerikanischen Bewegung nach Europa.

Zu dieser Varietät der Saat kommt die Verschiedenheit des Bodens. War doch der Grad der Aufnahmefähigkeit in Europa, bzw. des Aufnahmewillens, von Land zu Land, von Volk zu Volk, von Sprachgebiet zu Sprachgebiet verschieden.
Mentalität und Tradition, Sprache, Wirtschaftslage, politische Situation spielten hier ihre unterscheidende Rolle:
In Grossbritannien zwar breite Möglichkeiten infolge der Sprachgemeinschaft mit dem Mutterland des Scientific Management, aber doch nur zögernde Annahme bewährter amerikanischer Methoden unter Ueberwindung der instinktiven Abwehr gegen alles, was vom jüngeren Brudervolke jenseits des Ozeans kommt, das sich politisch und wirtschaftlich zum selbständigen Konkurrenten entwickelt hat.
In Frankreich - und ähnlich in Belgien - bereitwilligere Aufnahme, da durch Taylors Zeitgenossen de Fréminville, Le Châtelier, Fayol und die um sie gruppierten Fachkreise die Wege in der französisch-sprachigen öffentlichen Meinung geebnet waren -, jedoch sprachliche Verständnishemmungen. Gute Gelegenheit zur praktischen Verwirklichung beim Wiederaufbau der zerstörten Kriegsgebiete.
In Deutschland leidenschaftliches, in seiner europäischen Isolierung und Not begründetes Aufgreifen alles Amerikanischen unter Ueberwindung der Sprachschwierigkeiten, mit dem Ziel, vermöge Anwendung einer auf amerikanische Vorbilder zurückgehenden Rationalisierungstechnik den wirtschaftlichen Zusammenbruch wettzumachen, den Vorsprung der Konkurrenten aufzuholen, den wirtschaftlichen Verpflichtungen des Friedensvertrages gerecht zu werden, sich darüber hinaus technisch und wirtschaftlich sogar wieder in die vorderste Reihe zu stellen.
In Italien und in Russland neue politische Régimes, deren Gedeih und Verderb vom Gelingen ihrer wirtschaftlichen Konzepte abhing, und die sich daher gleichfalls begierig auf die höchst wirksamen Mittel und Methoden verwarfen, welche in Amerika entwickelt worden waren und Prosperität verhiessen.
Aehnliche Motive in den Nachfolgestaaten der österreichisch-ungarischen Monarchie, bzw. Alt-Russlands, die sich

bei Neubau ihrer selbständigen nationalen Wirtschaftsapparate naturgemäss veranlasst fühlten, die allerneuesten Mittel und Methoden - eben die amerikanischen - zu verwerten.
Mit den eben aufgezählten Ländern dürften auch die Brennpunkte der nach nationalen Gesichtspunkten verschiedenen Rationalisierungsbewegungen gegeben sein. Um diese gruppieren sich die übrigen Länder, insofern sie den kulturellen Einzugsgebieten der vorangeführten zugehören.
Holland und die nordischen Länder folgen teils vermöge der Verbreitung der englischen Sprache direkt dem amerikanischen Einfluss, teils den Anregungen der englischen und der deutschen Bewegung.
Die iberischen und slavischen, sowie Balkan-Gebiete, lassen sich infolge politischer Hinneigung von der französischen Bewegung inspirieren; letztere profitieren aber auch vermöge der dort noch verbreiteten deutschen Sprachkenntnis von den Leistungen der deutschen Bewegung.
Diese nährt naturgemäss Oesterreich und auch Ungarn, sowie die deutschsprachigen Gebiete der Tschechoslovakischen Republik, während in der vielsprachigen und zentralen Schweiz amerikanisch-englische, französische und deutsche Anregungen zum Wettbewerb und zur Synthese gelangen.

DIE VERSCHIEDENHEIT DER ASPEKTE DER VERSCHIEDENEN EUROPAISCHEN BEWEGUNGEN.

Angesichts solcher Mannigfaltigkeit des Entstehens und der Entwicklung gewannen die europäischen Rationalisierungs-Bewegungen alsbald auch verschiedene Aspekte, die sich sogar in verschiedener Namensgebung kundgaben:
Diese variierte je nach dem Element, auf das die betreffende Bewegung den Hauptton legte:
In Grossbritannien sprach man - wie in Amerika - vom "Management".
In Frankreich (und seinem geistigen Einzugsgebiet) wurde der Name "Organisation Scientifique" angewendet, da man die Fragestellung hier weniger auf das praktisch-ethische Problem der Betriebsführung (Management) als auf die intellektuell-logische Förderung bester Betriebsorganisierung abstellte.

In Deutschland (und seinem Einzugsgebiet) kam Wort und Begriff der Rationalisierung auf, der dem Ganzen einen weit umfangreicheren Rahmen gab, und von dem geistig begrifflichen Hintergrund der "ratio" ausging.

Spricht sich so in der Namensgebung schon die nach den nationalen Mentalitäten verschiedene geistige Einstellung zum gleichen Gegenstand aus, so kommt diese noch mehr in der Hauptrichtung zum Ausdruck, welche die verschiedenen Hauptgruppen der europäischen Bewegungen eingeschlagen haben:
In Grossbritannien steht das psychologische Element im Vordergrund, u.z. nicht nur als "Faktor Mensch", sondern auch als "Führerproblem"., Auch der hier sehr gepflegte Gedanke "Science in Industry" kann als wegbereitend für "Scientific Management" in England gelten.
In Frankreich ist es das Moment der logischen Ordnung der Dinge und Vorgänge, das die nationale Mentalität anzieht und die Bewegung in der Richtung besser organisierter "Administration générale et industrielle" (Fayol) drängt.
Deutschland drängt zunächst nach der technischen Richtung, ohne dabei auf den geistigen und begrifflichen Unterbau seiner sog. "technischen Rationalisierung" zu verzichten. Inmitten dieser entsteht eine ganze Literatur um den "Geist der Technik", der über ihr engstes Anwendungsgebiet hinaus in alle übrigen Gebiete der Wirtschaft und des Lebens "rationalisierend" vordringt.
Wenn wir diesen Rundblick noch fortsetzen, so werden wir noch in manchen anderen Ländern Elemente finden, die ihnen und ihren Rationalisierungsbewegungen ein charakteristisches Gepräge geben:
In Holland eine besondere Pflege der öffentlichen (städtischen) Betriebe.
In Polen eine auf Adamiecki einerseits, auf eine junge in Amerika ausgebildete Ingenieurgeneration andrerseits zurückgehende Vorliebe für Organisationsschemata (Charts) u. dgl.
In Italien und in den Agrarländern Nord- und Osteuropas besonderes Interesse für landwirtschaftliche Rationalisierung.
In Oesterreich Tendenz, die Betriebsrationalisierung durch

Rationalisierung der so notleitenden Volkswirtschaft als solcher zu unterbauen.

Als weiterer Faktor der Verschiedenheit zwischen den europäischen Bewegungen erweist sich ferner die Verschiedenheit ihrer Träger und deren Organisationsformen:

In den dem Internationalen Komitee für wissenschaftliche Organisation angeschlossenen nationalen Komitees, die sich in einer grossen Anzahl Länder befinden (Belgien, Frankreich, Holland, Italien, Polen, Rumänien, Spanien, Tschechoslovakische Republik, Jugoslavien) finden sich in privaten Organismen die Interessenten aller interessierten Kreise - vor allem Ingenieure, Betriebsführer, Organisatoren, Betriebswissenschaftler - zu organisierter Forschungstätigkeit und Propaganda zusammen; manche von ihnen umfassen auch Gewerkschaften und Arbeitnehmerschaft.

In Deutschland und in Oesterreich erscheinen staatlich geförderte und organisierte "Kuratorien für Wirtschaftlichkeit" als offizielle Träger der nationalen Rationalisierungsbewegung, welche die Tätigkeit der zahlreichen in Ausschüsse zersplitterten Organe von Interessengruppen in "Gemeinschaftsarbeit" zusammenfassen und beleben.

In Grossbritannien hat der starke Individualismus das Entstehen eines zentralen Rationalisierungsorgans bisher verhindert. Umso wichtiger ist daselbst die Rolle fortschrittlicher Firmen als Träger des Rationalisierungsgedankens, die sich als solche auch als erste zu gemeinsamen "Research Groups" zusammengefunden haben - sicher eine Folge des Mangels einer zentralen Rationalisierungsstelle.

Aehnliches gilt von der Schweiz, wo sich, so wie in den nordischen Staaten, die Spitzenverbände der Industrie (Arbeitgeber) zur Führung der Rationalisierungsbewegung bekannt haben. In der Schweiz tritt aber auch die führende Rolle einer Hochschule (Eidgenössische Polytechnische Hochschule in Zürich) in Erscheinung.

Neben den Industrieverbänden sind es in den meisten Ländern auch noch die grossen Ingenieurvereine, die in der Bewegung eine sachlich führende Rolle spielen. In manchen Ländern waren es sie oder die Vereinigungen der

Buchsachverständigen, welche die erste Initiative zur Verbreitung des Scientific Management Gedankens ergriffen.
Nicht zuletzt ist als Träger der Rationalisierungsbewegung die junge Betriebswissenschaft zu nennen, die einerseits von der praktischen Betriebsrationalisierung her stärkste Entfaltungsantriebe bekam, diese aber ihrerseits durch wissenschaftliche Behandlung ihrer Probleme nachdrücklich förderte.

GESAMTCHARAKTER DER EUROPÄISCHEN BEWEGUNGEN.

Wenn im Vorstehenden die mannigfaltigen Verschiedenheiten der europäischen Bewegungen angedeutet - beileibe nicht erschöpfend dargestellt! - wurden, so sollte damit zunächst nur ein grundlegender Unterschied in der Struktur zwischen der amerikanischen Scientific Management Bewegung und der europäischen Rationalisierungsbewegung aufgezeigt werden.
Wollte man da zu Werturteilen vordringen, so müsste man die grosse Diversität der europäischen Bewegungen als Quelle ihrer ungemein starken Fruchtbarkeit preisen. Denn es darf bei aller Anerkennung für die Bedeutung der amerikanischen Anregungen nicht übersehen werden, dass die Mittel und Methoden der Rationalisierungstechnik, welche sie nach Europa brachten, hier schöpferisch vertieft, durch Eigenes bereichert, quantitativ und qualitativ vervollkommnet wurden, so dass nach dem Zeugnis mancher Amerikaner, welche die europäische Rationalisierungspraxis hier an Ort und Stelle studiert haben, Amerika seinerseits in gar vielen Beziehungen von der europäischen Entwicklung übertroffen worden ist.
Der Grund hierfür mag, abgesehen von dem belebenden Element der Mannigfaltigkeit und von den geistigen Gestaltungskräften der alten Kulturen, in welche die jungen Saaten fielen, vor Allem in dem grossen Antrieb der Wirtschaftsnot liegen, der einheitlich über allen Ländern des Weltkriegsschauplatzes Europa lag.

"Not lehrt nicht nur beten, sondern auch rationalisieren."
Um die "Not" zu "wenden", erwies es sich als "notwendig", bei Verwendung der neuen Methoden und Mittel zur Verbesserung des wirtschaftlichen Schaffens, welche die amerikanische Be-

wegung aus dem Motiv eines besseren "Management" heraus, mit dem Wirtschaftsziel der Stabilisierung, mit dem sozialen Ziel des Wirtschaftsfriedens und mit dem nationalen Ziel der Prosperity geschaffen hatte, vorerst und hauptsächlich das Moment der Wirtschaftlichkeit zu betonen.

Hebung der Wirtschaftlichkeit - nicht Efficiency, nicht Rentabilität, nicht Ertrag, nicht Stabilität - sondern Wirtschaftlichkeit mit dem deutlichen Unterton des Sparens, ist das Hauptmotiv einer Bewegung geworden, die deshalb über das Unternehmen und den Betrieb hinausgegriffen und die Branchen als solche, die Volkswirtschaft als Ganzes, aber auch nichtwirtschaftliche Schaffensgebiete, wie Verwaltung, Gesetzgebung, Haushalt und dgl. in ihren Reformbereich einbezogen hat. In dieser Betonung des Hauptmomentes der Wirtschaftlichkeit und in diesem weitausgreifenden Anwendungsbereich mögen die Hauptelemente der umfassenden Erneuerungsbewegung liegen, auf die wir mit dem höchst elastischen Schlagwort "Rationalisierung" hindeuten; und diese Hauptelemente mögen sie auch vom amerikanischen Scientific Management unterscheiden, für das Wirtschaftlichkeit der anzuwendenden Mittel und Methoden selbstverständliche Voraussetzung aber nicht Hauptziel ist, und das wesentlich nur in dem Gebiet des Management im Betrieb (auch im verwaltenden Betrieb des City-Management) wirksam wurde.

Es ist in dieser Beziehung symptomatisch, dass die Rationalisierungszentralstellen in Berlin und Wien den Namen "Kuratorien für Wirtschaftlichkeit" führen und von den Regierungen gefördert werden, denen äusserste Sparsamkeit an allen Stellen der notleidenden Volkswirtschaft Gebot der Stunde sein muss.

Deshalb haben auch Gedanken wie jene der "Bekämpfung der Verlustquellen", der Vereinfachung und Normung, der Fliessarbeit (nicht nur der Arbeit am fliessenden Band, sondern der fliessenden Arbeitsanordnung, die jede Zeit und jeden Platz im Betrieb mit ununterbrochener Leistung füllt) hier solchen Anklang, solche Pflege und solche Entfaltung gefunden.

"Wirtschaftlichkeit" war in den europäischen Ländern auch Ansporn zur sog. "Gemeinschaftsarbeit", denn

es musste wirtschaftlicher sein, sich zur systematischen Erarbeitung der besten Mittel und Methoden zusammenzutun, als dass sich die einzelnen Firmen damit gesondert abmühen.
Ersparung von Kraft, Zeit und Kapitalsaufwand wurde zum Leitstern aller Rationalisierungstätigkeit, Ersatz von Menschen durch Maschinen zur notwendigen Hauptfolge, zum notwendigen Haupterfolg einer Einstellung, die zur Definition des Begriffes "Rationalisierung" gerne auf die uralte Formel des "grösstmöglichen Erfolgs bei geringstmöglichem Aufwand" zurückgriff.
Zur Betonung der Wirtschaftlichkeit zwangen auch in den eben erwähnten Gebieten die Fehlinvestierungen der Inflationszeit, welche zu gefährlicher Kapitalintensität der Unternehmungen geführt hatten und alsbald die Hauptaufmerksamkeit auf die Probleme der Kosten- und Absatzanalysen lenkten.
Arbeitsvorbereitung und Budgetkontrolle, in Amerika Faktoren zur Stabilisierung der Betriebswirtschaft, wurden in Europa wesentlich als Elemente zur Förderung ihrer Wirtschaftlichkeit rezipiert.

Das Vorangeführte findet seine Bestätigung, wenn wir den Blick auf die offiziellen unter den Definitionen des Begriffes "Rationalisierung" werfen, die in dem vom Genfer Institut seinen Mitgliedern vorgelegten "Vorbericht über die Terminologie der Rationalisierung" enthalten sind:
Die Weltwirtschaftskonferenz des Völkerbundes, Genf 1927, versteht unter "Rationalisierung"
"die Anwendung technischer und organisatorischer Methoden, die auf ein Mindestmass von Kraft- und Stoffverlust hinauslaufen....."
Unter den Aufgaben der Rationalisierung hebt die Konferenz u.a. hervor:
"...die höchste Leistung mit der geringsten Kraftentfaltung zu erzielen...."
Das deutsche "Reichskuratorium für Wirtschaftlichkeit" sieht in der Rationalisierung
"die Erfassung und Anwendung aller Mittel, die Technik und

planmässige Ordnung zur Hebung der Wirtschaftlichkeit bieten. Ihr Ziel ist Hebung des Volkswohlstandes durch Verbilligung, Vermehrung und Verbesserung der Güter."
Das R. K. W. unterscheidet in diesem Sinne drei Arten von Rationalisierung: die technische, die kommerzielle, die volkswirtschaftliche, der es in letzter Zeit noch die weltwirtschaftliche Rationalisierung hinzufügt.
Sparen mit Kraft und Werten, ängstliche Vermeidung von Verlust und Vergeudung, strengste Wirtschaftlichkeit sind somit die Hauptzüge einer aus der Wirtschaftsnot der Zeiten geborenen, rapid angewachsenen und daher zunächst rein materiell orientierten Bewegung.

Intellektuelle Führer versuchten ihr allerdings geistigen Hintergrund zu geben:
de Peyerimhoff, Präsident des Zentralkomitees der französischen Kohlengruben und Berichterstatter der eben erwähnten Weltwirtschaftskonferenz sieht die Hauptbedeutung der Rationalisierungsbewegung in der Sicherheit: Sicherheit für den Produzenten, für die Arbeiterschaft, für den Konsumenten, für das Volk als Gewähr einer finanziellen und sozialen Stabilität, wie sie einer im Gleichgewicht arbeitenden Wirtschaft anhaftet - Sicherheit, die für die Welt, nach dem Frieden, das Notwendigste ist.
Urwick, der Direktor des Internationalen Rationalisierungs-Institutes, sieht das Wesen der Rationalisierung in der Wertung und Anwendung der Methoden der Wissenschaft bei Behandlung aller Probleme der Steuerung des Wirtschaftslebens.
Professor M. J. Bonn erklärt Rationalisierung als das "Gegenteil des Triebhaften". Es bedeute "ein Anordnen menschlicher Handlungen nach Gesichtspunkten der reinen Zweckmässigkeit, unter Ausschaltung des Gefühlsmässigen auf der einen und des Gewohnheitsmässigen auf der anderen Seite."
Diese wenigen leicht vermehrbaren Beispiele beleuchten zwar die Tatsache, dass Denker in allen Lagern sich bemüht haben den Charakter, die Faktoren, Elemente und Tendenzen der Rationalisierung, herauszuarbeiten.

Eine die Kategorien des Ganzen in grosszügiger Einfachheit herausstellende, im übrigen aber auf Definitionen verzichtende Doktrin, wie sie Dr. Person, bzw. der Arbeitskreis der Taylor Society, in den vier "Principles of Scientific Management" darbietet, dürfte aber diesseits des Ozeans kaum mit solchem Erfolg versucht worden sein.

Da diese amerikanische Doktrin deutlich aus der praktischen Entwicklung und Erfahrung hervorgegangen ist, fügt sich das Gewirre von Rationalisierungs-"Mitteln und Methoden" wie von selbst und mit überzeugender Logik in die "Technique of Scientific Management" ein, die wir in der Uebersichtstafel sowie im Text von Dr. Person's Bericht finden.

Dieser gelangt dadurch zu einer überaus klaren und lebensnahen Systematik, welche den Eindruck hinterlässt, dass "Scientific Management" in Amerika eine einheitliche Struktur und einen intellektuell-geistigen Gehalt besitze, während dergleichen in dem kaleidoskopisch wirren Bild der europäischen Rationalisierungsbewegung auf den ersten Blick vermisst wird.

Gewiss findet man die Analoga zu der "Technique of Scientifique Management" in der europäischen "Rationalisierungstechnik", die, wie schon erwähnt, in ihren Mitteln und Methoden sowie in der Art ihrer Erarbeitung durch Gemeinschaftsarbeit Amerika sogar vielfach überflügelt haben mag.

Die systematische Struktur der vier "Principles" aber - Research, Standards, Planning and Control, Cooperation - dürfte der europäischen Rationalisierungsbewegung weder in ihrer technischen Praxis, noch in ihrem theoretisch-philosophischen Bewusstsein klar sein, was nicht ausschliesst, dass die gleiche Struktur wie in Amerika auch in Europa virtuell und organisch tatsächlich vorhanden sein mag. Inwieweit dies der Fall ist, ist vielleicht einer Untersuchung wert, die aber nur Hand in Hand mit einem tieferen Eindringen in das Verständnis der amerikanischen "Doktrin vom Scientific Management" durchgeführt werden kann.

EUROPÄISCHE ASPEKTE DER

DIE „DOKTRIN" DES SCIENTIFIC MANAGEMENT UND IHRE SPIEGELUNG IN EUROPA.

Schon in dem Standardwerk der Taylor-Society "Scientific Management in American Industry" trat dem europäischen Leser die grosslinige Systematik der amerikanischen Bewegung entgegen. Sie ist jedoch seit dem Erscheinen dieses Werkes noch vervollkommnet worden und liegt nun in dem Bericht von Dr. Person in ihrer letzten Form vor uns.

Die Leitworte, mit welchen die vier Grundprinzipien bezeichnet werden - Research, Standards, Control, Co-operation -, tragen den Fluch in sich, dass in ihren deutschen, bzw. französischen Schwesterworten gemeinsamer lateinischer Herstammung so vielerlei andersbetonte Haupt- und Nebenbedeutungen mitverstanden werden, dass ihre glatte Wiedergabe mit Forschung, Standardisierung, Kontrolle, Kooperation schlechthin untunlich ist: "Forschung" würde zu sehr nach Laboratoriums-Wissenschaft schmecken, Kontrolle zu sehr an den Kontrollör gemahnen, Kooperation bedeutet etwa die Wirtschaftstätigkeit der genossenschaftlichen Kooperativen, und unter "Standard", einem Wort, das man meist unter der Form "Standarte" kennt, stellt sich die grosse Masse der europäischen Leser - selbst nach Lektüre von Dubreuils Buch "Standards" - nicht das Richtige vor, höchstens Normung und Vereinfachung.

Es scheint daher erforderlich, die vier "Principles" des Scientific Management in ihrer amerikanischen Bedeutung dem europäischen Verständnis erst näher zu bringen.

Zunächst durch eine Uebersetzung und dann durch eine Analyse.

Für beides wählen wir nicht die Uebersichtstafel des Berichtes von Dr. Person, sondern die von ihm zu Ende desselben zitierten "Propositions", welche der letzten Jahresversammlung der Taylor Society, Dezember 1930, als Unterlage ihrer Diskussionen über das Thema "New Challenge to Scientific Management" vorgelegt worden sind.[1]

Dieses "new challenge" betrifft die "Herausforderung" an das

[1] Bulletin of the Taylor Society, Vol. XVI, No. 2, April 1931.

Scientific Management, nun über das Unternehmen und den Betrieb hinauszuschreiten und mit seinen "Principles" und mit seiner "Technique" das Wirtschaftsleben der Industriezweige, der Volkswirtschaften und der Weltwirtschaft zu durchdringen. Als sich die Taylor Society, Hüterin des Erbes F. W. Taylors, anschickte, diese "new challenge to Scientific Management" anzunehmen, gab sie sich zunächst in einer "Proposition" zusammenfassend Rechenschaft über das Wesen und Wirken des Scientific Management im Unternehmen.

Diese Proposition 1 erscheint derart geeignet, die amerikanische Konzeption dem europäischen Verständnis näher zu bringen, dass wir sie zunächst hier übersetzen wollen - so treu als nötig, so frei als möglich - :

"Scientific Management hat dem individuellen Wirtschaftsunternehmen ... ein System (body) von Prinzipien und die damit verbundene (pertinent) Technik der Unternehmensführung (management) gegeben, u.z. :

a. "Research" = Forschung aller Art als Grundform zur Behandlung und Lösung der verschiedenen Probleme der Unternehmungsführung.
b. "Standardization" = beschreibende Herausstellung mustergültiger Bestlösungen (Specification) für alle Aufgaben. Massnahmen und Zwecke, Entwürfe und Projekte, Mittel und Methoden, als relativ konstante Faktoren, in deren Sprache Pläne aufgestellt und deren Ausführung geleitet, gemessen und bewertet werden können.
c. "Planning and Control" = Planmässige Führung. d.i. Organisierung und Dirigierung der Anwendung aller Mittel nach voraus durchgedachtem Plan zum Zweck der Ausführung der Massnahmen und Zwecke, Entwürfe und Projekte.
d. "Co-operation" = Erkenntnis und Annahme der die Lage der Unternehmensführung beherrschenden Gesetze, wie sie durch Forschung aufgedeckt, in Standards formuliert und in planmässiger Führung benützt worden sind.

"Die Anwendung dieser Prinzipien hat die Durchführbarkeit einer internen Stabilisierung des individuellen Unternehmens

erwiesen, d.h. die Meisterung (Control) über den Wechsel in den Beziehungen und Wechselwirkungen zwischen den internen Faktoren des Unternehmens. Die Ausschaltung interner Fehlmassnahmen kann daher, sofern sie nicht durch den Eingriff von Kräften hervorgerufen sind, die ausserhalb des Machtbereichs (Control) der Unternehmensführung liegen, nunmehr als durchführbar angesehen werden.

"Gleichwohl muss festgehalten werden, dass interne Stabilisierung eines Unternehmens durch Scientific Management häufig durch den Eingriff von Kräften seiner wirtschaftlichen Umwelt vereitelt (nullified) wird, die ausserhalb des Machtbereichs der Unternehmensführung liegen."

Folgen Proposition 2 bis 4, aus denen wir nur die wichtigste Forderung wiedergeben wollen:

"Anwendung der im individuellen Unternehmen entwickelten und erhärteten (vorerwähnten) Prinzipien des Scientific Management auf die Wirtschaft als solche, aufgefasst als grosses Unternehmen, in welchem alle Mitglieder der Wirtschaftswelt gemeinsam Arbeiter und Aktionäre sind."

Wie meist, genügt blosse Uebersetzung des Wortlauts nicht. Um den Geist der vier amerikanischen Prinzipien wirklich zu erfassen und in unsere europäische Denkweise einzubauen, ist vielmehr eine klarstellende Analyse erforderlich, bei welcher die in Dr. Persons Uebersichtstafel enthaltene übersichtliche Darstellung der mit jedem der "Principles" verbundenen "Technique of Scientific Management" wertvolle Aufklärungsdienste leisten wird.

Im Verlauf dieser Analyse wird sich naturgemäss Gelegenheit ergeben, jeweils zu prüfen, wie es mit Erkenntnis und Verwirklichung, sowohl der Prinzipien als der Technik des amerikanischen Scientific Management innerhalb der europäischen Rationalisierungsbewegung bestellt ist.

Zunächst drängt sich eine Zweiteilung der vier Prinzipien auf:

Research und Standards einerseits,

Planning, Control und Cooperation andrerseits.

Je Beide bilden nämlich je ein Ganzes, insofern als:
Research und Standards ein vorbereitendes Element darstellen, das nicht unbedingt an das Unternehmen gebunden ist, während Planning, Control und Cooperation ein Aktionselement bilden, das vom Unternehmen nicht abstrahiert gedacht werden kann.

Research und Standards können daher ebensowohl innerhalb des individuellen Unternehmens verwirklicht werden, als auch ganz unabhängig von einem Unternehmen überhaupt. Hier ergibt sich schon ein Unterschied zwischen Amerika, wo Research und Standards wesentlich Arbeitsfeld der "Company", etwa noch des Industrieverbandes sind, während in Europa die freieren und vom Unternehmen losgelösteren Formen der "Gemeinschaftsarbeit" entwickelt worden sind.
Trotz dieser äusserlichen Unterschiede in der Verwirklichungsform der beiden Prinzipien, wird man diese doch als in Europa völlig gleichwertig, wenn nicht sogar reichhaltiger wirksam finden, wie in Amerika.
"Research" im Sinne systematischer Analyse aller und jeder Elemente des Betriebslebens unter Anwendung der objektiven Forschungsmethoden strenger Wissenschaft ist in Europa ebenso Grundlage aller "Betriebsforschung" und "Betriebswissenschaft", ja wird zuweilen als Inbegriff des Wesens der Rationalisierung aufgefasst, diese sogar mit solcher Anwendung der "Wissenschaft auf die Wirtschaft" identifiziert.
Ein gleiches gilt vom Resultat der "Research": den Standards.
Ob man es nun Richtlinien oder Normblätter nennt, ob es Materialqualifikationen oder beste Form der Packung, ob es Budgetkontrolle oder beste Schmiermethode für Maschinen betrifft, ob es Vereinheitlichung von Lieferbedingungen ist oder Eignungsprüfung mit Tests, ob es in allgemeinen Thesen, in der Ziffernsprache ("Ratios", Richtzahlen) oder in eindringlichen Büchern zusammengefasst ist, -
tut nichts zur Sache: was auf Grund von Research als Mittel oder Methode zu irgendwelcher mustergültigen Bestgestaltung festgestellt ist, wird als "Standard" herausgebracht und harrt der Anwendung.

Zur Sache tut auch hier nichts, ob die "Standards" im Unternehmen, oder ausserhalb als Frucht der Gemeinschaftsarbeit durch neutrale Organismen aufgestellt worden sind.
In Europa wird meist Letzteres der Fall sein: die ganze grosse Literatur über Mittel und Methoden der Rationalisierungstechnik enthält die "Standards", deren sich die Unternehmen nun bloss zu bedienen haben - natürlich unter Adaptierung an den Einzelbedarf, wie ja überhaupt "Standards" nichts starres sein dürfen, sondern in "dynamischer Stabilität" weiterentwickelt werden müssen.
Viel Analogie somit und kein kontradiktorischer Gegensatz zwischen Europa und Amerika in Bezug auf Research und Standards.

Wie steht es nun mit den beiden anderen Principles:
Planning - Control und Cooperation.
Hier handelt es sich um die Praxis der Unternehmen: Die durch Research erarbeiteten Standards sollen dazu dienen, Elemente eines Planens zu sein, das zu einem ganz neuen Typus des Führens hinleitet, dessen Wesen in "Cooperation" besteht.
Hier liegt nun der Kern des Scientific Management zu Tage.
Der Vergleich mit dem Orchester, den Dr. Person in seinem Berichte gibt, beleuchtet das Problem mit einem Schlage:
Die Partitur des aufzuführenden Musikstücks ist der aus Standards gebildete Plan. Alle Mitwirkenden kennen ihn, haben ihn in sich aufgenommen, beherrschen als Meister die ihnen zufallenden Teilfunktionen. Diese sind überdies in Teilplänen (Einzelbudgets, Arbeitsanweisungen, u. dgl.) = Noten der einzelnen Stimmen und Instrumente aufgezeichnet und vor jedes Einzelnen Auge. Der Dirigent ist an die Partitur, and den Plan gebunden, er darf nicht genial improvisieren, er kommandiert nicht, er zwingt nicht, sondern er gibt die Signale, er koordiniert, er führt mit Meisterhand zum Erfolg. Die anderen folgen, aber nicht als stumpfe Arbeitssklaven, sondern als bewusste Folger, in voller Arbeitsverbundenheit in und mit dem Werk.

Das ist Cooperation.

Ruft man sich die herkömmliche Art der Leitung eines Betriebes vor Augen, so erkennt man ohneweiters, dass hier und nicht bloss in der Anwendung von Wissenschaft auf Wirtschaft oder in der Erarbeitung neuer technischer Mittel und Methoden - das essentiel Neue liegt, die Wurzel der "Second Industrial Revolution", die zugleich eine "Mental Revolution" ist, als welche Taylor selbst die Scientific Management Bewegung bezeichnet hat. So wie Dirigent und Künstler nicht immer und ewig Gehalt und Lohn vor Augen haben, sondern während des Schaffens ausschliesslich an das gemeinsame Werk denken, so auch Führer und Folger im Unternehmen des Scientific Management. Dieses trägt dadurch, wie das echte Kunstwerk, den Keim des Erfolges, u.z. auch des materiellen Erfolges in sich und befriedigt alle, die daran teil haben.

Wie steht es nun mit Planning-Control sowie mit Cooperation in Europa?

Man wird mit der Behauptung kaum fehlgehen, dass die überwiegende Mehrzahl der Fälle von sogenannter Rationalisierung von Betrieben in den Kinderschuhen der mehr oder weniger planlosen Anwendung irgendwelcher "Standards" steckt, die, wie Medizinen empfohlen, je nach der Diagnose eines Betriebsberaters, in grossen oder kleinen Dosen, zur Sanierung von Vergeudung und sonstigen Organisationsmängeln angewendet werden.

Rationalisierung ohne Planung bleibt zunächst in der Wegorganisierung von Folgeerscheinungen stecken; das Uebel der Krankheit kann nur durch eine einem Kur-Plan folgende bessere Lebensführung (Planning and Control des Scientific Management) erfolgen.

Der Gedanke des Planning macht in der Tat unter dem seit der vom Internationalen Rationalisierungs-Institut in Genf, 1930, abgehaltenen Diskussionskonferenz verbreiteten Namen der "Budgetkontrolle" in Europa zweifellos bedeutende Fortschritte. Die wirstchaftlich üblen Folgen planloser, daher ungleichmässiger, unvollständiger, zumeist Einzelgebiete (Normung, Fliessarbeit ,Eignungsprüfung und Schulung, Arbeitsvorbereitung, Zeitmessung, etc.) überbetonender Pseudo-Rationalisie-

rungen hat den Gedanken der Unternehmungsführung mittels Budgetkontrolle zu Anerkennung und praktischer Verwirklichung verholfen.

Eines aber ist ernstlich zu bezweifeln:
ob "Cooperation" als Geist und "Principle" sowie als Vorgang in irgend einem europäischen Unternehmen bereits in echter und erschöpfender Weise erkannt und zum Leben gekommen ist.

Amerikanische Kenner der amerikanischen Wirtschaft geben ohne weiteres zu, dass dies auch in den Vereinigten Staaten nur in einer ganz geringen Anzahl von Unternehmen der Fall ist.

Manche der europäischen Ingenieure und Werkstudenten, denen es beschieden gewesen sein mag, in Amerika gerade in solchen Pionierbetrieben das Scientific Management in seiner Erfüllung erlebt zu haben, mochten davon auch eine wahre Idee nach Europa gebracht und versucht haben, sie in ihrem europäischen Wirkungskreis zu verwirklichen. Ob, in wie vielen und in welchen europäischen Unternehmungen das gelang, entzieht sich unserer Kenntnis.

Und doch ist "Cooperation" zur Ausführung eines auf Grund von wissenschaftlich erarbeiteten Standards erstellten Plans die neue Form der Führung, welche nicht nur im Unternehmen sondern in der Wirtschaft überhaupt, auf ihrer branchenmässigen, nationalen und internationalen Ebene, die Brücke vom Individualismus zum freien Kollektivismus schlägt.

SCIENTIFIC MANAGEMENT UND SOZIALOEKONOMISCHE PLANUNG. TENDENZ VOM ENGEREN ZUM WEITEREN.

Der Arbeitsplatz war die engste Zelle, in der Taylors Genius zuerst Scientific Management verwirklichte.

Doch alsbald zeigte sich dessen Tendenz, über das primitive Anwendungsgebiet des Arbeitsplatzes hinauszugreifen und dessen kompliziertere Umwelt - die Werkstatt - in seinen Reformbereich einzubeziehen.

Von der Werkstatt gings zum Betrieb, zum Unternehmen -
Von der Produktion zur Distribution, zur Verwaltung, zur Menschenführung -
immer nach dem Gesetz von Ursache und Wirkung; immer unter der Erkenntnis, dass im engeren Anwendungsgebiet ein dauernder Erfolg nicht beschieden sein kann, wenn nicht das weitere Gebiet, das räumlich oder zeitlich dem engeren vor-, um-, oder nachgelagert ist, in die gleiche Behandlungsweise einbezogen wird.
Wir stehen eben jetzt in der Phase, wo die Erkenntnis sich durchsetzt, dass Rationalisierung des Betriebes und Unternehmens, der Produktion und Distribution durch die Einzelzellen der Wirtschaft zum Vollgelingen auf die Dauer Rationalisierung der gesamtwirtschaftlichen - vielleicht letztlich auch der politischen - Umwelt voraussetzt.
Die Branche, das Wirtschaftsgebiet - beides zunächst im nationalen Rahmen der einzelnen Volkswirtschaften, darüber hinausgreifend aber auch in internationalen Zusammenhängen regionaler, bzw. kontinentaler Art, bilden das gegenwärtige Einzugsgebiet der Bewegung, die wir in diesen grösseren Dimensionen füglich besser mit dem Namen "Rationalisierung" bezeichnen werden, da das Wort "Management" zu sehr an den Unternehmensbegriff gebunden ist. Freilich sollte "Management", da es eine Funktion als solche bezeichnet, sich auch in den breiteren Wirtschaftsebenen einbürgern, sofern es sich darum handelt, deren unternehmensgleiche Führung von grösseren Wirtschafts-Einheiten zu bezeichnen.
Es hiesse die Wirtschaftsgeschichte von heute schreiben, wollte man diesen eben jetzt sich abspielenden Vorgang des territorialen und inhaltlichen Hinauswachsens der Rationalisierung aus dem Bereich des Unternehmens in die Area der grösseren Wirtschaftsebenen beschreiben. Geschichte des Geschehens zu schreiben ist aber eine undankbare, vielleicht unlösbare Aufgabe. Es fehlt die Distanz von der Gegenwart zur Vergangenheit. Nur Augenblicksbilder und Zufallsaspekte können gegeben werden; die Wirtschaftsjournalistik der Zeitschriften und Tagesblätter hat den Vortritt vor der Wirtschaftsgeschichte des Geschehenen, welche

erst der rückblickenden, ordnenden, abstrahierenden, analysierenden Wissenschaft vorbehalten ist.

Wir werden es uns daher versagen, in der gegenwärtigen Evolution der industriellen Zusammenschlüsse, der entstehenden internationalen "Verbundwirtschaft" (z.B. im Kraftwesen), der regionalen und paneuropäischen Wirtschaftsgebilde u.s.w., nach den theoretischen Möglichkeiten und praktischen Verwirklichungen der "Principles of Scientific Management" zu forschen. Auch ladet uns das kühne Programm der I. R. I. selbst ein, diese Zwischenphasen zu überspringen und das Problem im weltweiten Umfang des "Social Economic Planning of the World" zu betrachten.

Wir dringen damit allerdings gewissermassen in den leeren Raum vor, in welchem die Utopien gedeihen.

Unter diesen die Wirklichkeiten von Morgen herauszuspüren, ist der verlockende Versuch, zu dem die I. R. I. einladet, deren Amsterdam-Kongress einer ihrer Freunde sehr geistvoll "a turf for Utopias" genannt hat; "eine Wettrennbahn für Utopieen".

SOZIALOEKONOMISCHE WELTPLANUNG ALS ANWENDUNG EINES DER "PRINCIPLES OF SCIENTIFIC MANAGEMENT".

Wenn "Sozialökonomische Weltplanung", das Programm des I. R.I. Kongresses, mehr als ein utopisch anmutendes Schlagwort sein wird, so nur dann, wenn man damit auf den wichtigsten Faktor einer grundlegend neuen Art wirtschaftlichen Schaffens hinweist, wie sie das vollverstandene "Scientific Management" darstellt.

Unter seinen vier Prinzipien gebührt vielleicht dem Ersten, Research, das Verdienst, der Starter alles Weiteren zu sein, ohne den das Ganze nicht in Schwung kommt. Wo aber einmal "Scientific Approach" als neue Einstellung an Stelle von Routine und "Fingerspitzengefühl" getreten ist, da erwachsen folgerichtig und natürlich die Standards. Aber Beides — Research und Standards — blieben wertlos, dienten sie nicht zur Ermöglichung des Planens, das somit Kernpunkt des ganzen ist, da sich daraus die neue Form der Cooperative-Control wie von selbst ergibt.

Als Folge von Research und Standards steht somit die Planung

da und zeitigt ihrerseits als Erfolge Control und Cooperation. Planung ist also das Herzstück eines organischen Scientific Management und steht deshalb zurecht als Ueberschrift über dem Programm der I. R. I. Tagung.

Das darf nun aber nicht zur irrigen Annahme verleiten, als wäre es möglich, auf dem Gebiet der Weltwirtschaft etwas zu versuchen, was auf dem Gebiet der Betriebswirtschaft unmöglich ist: nämlich n u r einen Plan aufzustellen.

Wollen wir Planung als den essentiellen Bestandteil eines von der Betriebs-auf die Weltwirtschaft erhobenen Scientific Management auffassen — und nur dadurch kann aus dem Schlagwort Aktion werden — so müssen Research und Standardserstellung auf weltwirtschaftlicher Ebene genau so vorangehen wie in der Betriebswirtschaft.

Und ebenso wie in dieser die blosse Aufstellung eines Planes ein Torso des Scientific Management bliebe, erwüchsen daraus nicht die neuen Führungsformen von Cooperative Control, so wäre auch ein weltwirtschaftliches Planen zur Ohnmacht und Wirkungslosigkeit verurteilt, wenn sich ihm nicht neue Formen weltwirtschaftlicher "C o o p e r a t i o n" gesellten, die eine in neuem Geist geführte "C o n t r o l" der Ausführung gewährleisten würden.

Wollen wir also Scientific Management auf der grösseren Ebene der Weltwirtschaft verwirklichen, so müssen seine vier „Principles" - und zwar alle vier, nicht nur "sozialökonomische Weltplanung" - daselbst zur Geltung und Verwirklichung gebracht werden. Wie? das ist die Frage einer "T e c h n i q u e", die ebenso wie in der Betriebswirtschaft auch in der Weltwirtschaft aus den Prinzipien abzuleiten sein wird.

Ein Versuch, dies zu tun, führt uns mitten ins U t o p i s c h e hinein. Wenn wir ihn wagen, so deshalb, weil schon in der Realität heutigen volks- und weltwirtschaftlichen Geschehens Ansatztendenzen zu Tage liegen, die richtunggebend in die Zukunft weisen und so eine gewisse Orientierung im unbekannten Land Utopia gewähren.

EUROPÄISCHE ASPEKTE DER WELTWIRTSCHAFTLICHE RESEARCH UND WELTWIRTSCHAFTLICHE STANDARDS.

Solange und soweit staatliche, regionale, kontinentale Autarkien möglich sind, wird staatliche, regionale, kontinentale Research (Statistik) das Selbstverständliche und Genügende sein, um den Volkswirtschaften bzw., der internationalen Wirtschaft von regional oder kontinental zusammenhängenden Volkswirtschaften die aus den Forschungsergebnissen hervorgehenden Bestgestaltungsmöglichkeiten (Standards) zu weisen.

Ueberall wo und insoweit als aber die wirtschaftliche Einheit der Welt sich fühlbar macht - und dies ist in unseren Tagen der "Weltschrumpfung" infolge der technischen Verkehrsfortschritte in rapidem Fortschreiten der Fall - wird weltwirtschaftliches Studium (Research) der Gegebenheiten nötig, aus dem Anhaltspunkte für weltwirtschaftliche Bestgestaltung (Standards) gewonnen werden können.

Weltwirtschaftliche Einheit scheint sich aber zunächst nicht als Ganzes sondern in den einzelnen Wirtschaftskategorien und -Branchen zu manifestieren. Nach Wirtschaftszweigen hätte demnach auch zunächst die Anwendung der Principles "Research" und "Standards" zu erfolgen.

Man kann heute ohne Widerspruch von fortschreitender Intensivierung der weltwirtschaftlichen Zusammenhänge in der Landwirtschaft und Urproduktion sowie der meisten- Zweige (Branchen) der Industriewirtschaft sprechen, u. z. in jedem einzelnen dieser Wirtschaftsgebiete von "Weltproduktion", "Weltdistribution" und "Weltkonsum".

Was wäre hier nun als Gegenstand von Weltresearch, was als Inhalt von Weltstandards denkbar?

Nehmen wir als Beispiel die Schuhindustrie und sprechen wir einmal von einer "Weltwirtschaft" als Gesamtheit der Massnahmen zur Beschuhung der Menschen:

Bevölkerungsforschung hat die Ziffer der zu beschuhenden Menschen, sowie sonstige den Beschuhungsbedarf modifizierende biologische Zifferntatsachen, wie Geschlecht und Altersaufbau, beizustellen, u.z. nicht nur Gegenwartsziffern son-

dern "Trend" der voraussichtlichen Zukunftsentwicklung.

Konsumforschung wird sowohl die verschiedenen Sitten und Gebräuche der Beschuhung (einschliesslich Nichtbeschuhung) in ihrer zahlen- und artenmässigen Verbreitung feststellen, als auch den "Schuh-Turnover", d.h. den Rythmus des Schuh-Verderbs und der Erneuerung.

Bedarfsforschung wird die Ergebnisse der Konsumforschung ziehen und Umfang, Art sowie Rythmus des aus dem Konsum hervorgehenden Beschuhungs-Bedarfs feststellen.

Absatzforschung, Marktanalyse wird die praktischen Möglichkeiten der Befriedigung dieses Bedarfs im Lichte der Kaufkraft der Bedürftigen, also Fragen optimaler Lohn- und Preisgestaltung untersuchen.

Produktions- und Distributionsforschung wird einerseits die Produktions-Kapazität des vorhandenen Schuh-Erzeugungsapparates (Fabriken, Werkstätte, Maschinen, qualifizierte Arbeiter) sowie die Distributions-Kapazität des vorhandenen Verteilungsapparates feststellen, andrerseits die besten technischen Mittel, Methoden und Organisationsformen herausfinden, um mittels des gegebenen Produktions- und Verteilungsapparates die zur ausreichenden, Art- und zeitgerechten Deckung dieses Beschuhungsbedarfs notwendige Erzeugung und Verteilung von Schuhen bei optimaler Kosten-, Preis- und Rentabilitätsgestaltung sicherzustellen.

Es liesse sich denken, dass auf jedem dieser einzelnen Forschungsgebiete als Ergebnis Richtzahlen herausgestellt werden könnten - in Prozenten, in Proportionen, in absoluten Zahlen, in Indexziffern -, welche die nach Zeiteinheiten (pro Tag, Woche, Monat, Jahr) und nach lokalen Momenten (verschiedene nationale Schuhindustrien) beizustellenden Produktions-"Ratios" darstellen. Es liesse sich ferner denken, dass auch für die optimale Schuhverteilung Bestgestaltungsregeln, ziffernmässige Quoten u. dgl. aufgestellt, ja sogar dass für den wirtschaftlichsten Schuhkonsum Durchschnittsmasstäbe angegeben werden könnten.

Aber nicht nur in der Ziffernsprache wären diese "Weltstandards" der Schuhbranche zu formulieren, sondern auch in Qualitätsspezifikationen, in Produktionsbestmethoden u.

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dgl. mehr.

So viele, als Ergebnisse systematischer Forschung (Research) aufgestellte Optimal-Gestaltungsprinzipien (Standards), ebenso viele Elemente für eine systematische Planung der Weltschuhwirtschaft.

Diese vollzieht sich freilich nicht im luftleeren Raum, sondern ist aufs engste mit anderen Zweigen der Produkion, mit anderen Kategorien der Wirtschaft verflochten.

Wer Weltschuhwirtschaft will, muss Weltlederwirtschaft, Weltviehwirtschaft, Weltwerkzeugmachinenerzeugung, Welttextilindustrie u. s. w. wollen, zugleich aber auch weltwirtschaftliche Zusammenfassung, Welt-Research und Welt-Standards für die allen gemeinsamen Kategorien alles wirtschaftlichen Schaffens, wie Arbeit und Geld, Handel und Transport.

Es ist eine Tatsache, dass all diese Gebiete, soweit man nicht überhaupt dem Prinzip des "laissez faire, laissez aller" in vollem Umfang huldigte und das Schaffen nach dem Diktat des Konkurrenzprinzips und nach den Eingebungen des mehr oder weniger genialen "Geschäftsgeistes" vollzog, bisher nur vom Standpunkt der nationalen Volkswirtschaft aus betrachtet worden sind.

Internationale Zusammenhänge wurden wohl auch studiert, doch nur in dem Lichte des nationalen Vor- und Nachteils.

Nunmehr sollte die Einstellung wechseln:

Die gleichen Fragen sollten vor allem als weltwirtschaftliche Probleme studiert und behandelt werden, alle volkswirtschaftlichen Einzelheiten aber wesentlich als Teilstudien in ihrem Beitrag oder in ihrer Hemmung zum Ganzen.

Eine nähere Darstellung, wie diese weltwirtschaftliche Research im Einzelnen durchzuführen, welche weltwirtschaftlichen Standards zu formulieren und zu gestalten wären, kann dermalen wohl ebenso wenig versucht werden, wie eine Ausdehnung und Durchdenkung der für die Weltschuhwirtschaft angedeuteten Dinge auf die anderen zur Welteinheit heranreifenden Produktionszweige und Wirtschaftskategorien. Es bedürfte der Wirtschaftsphantasie eines Wells oder der wirtschaftsvisionären

Fähigkeiten eines Marx, um eine nähere Beschreibung dieser Zukunfstformen einer "Weltverbundwirtschaft" zu liefern.

Ist es doch eine charakteristische Eigenschaft der Utopien, dass sie sich der Phantasie nur in nebelhaften Umrissen zeigen, während die Einzelheiten erst bei ihrer Materialisierung in ihrer verwirrenden und gestaltenden Fülle zutage treten.

Ein weiteres Charakteristikon ist aber auch, dass nur die Utopie sich zum schöpferischen Gestaltungsspiel des Menschen eignet, denn sobald sie Wirklichkeit wird, tritt der unerbittliche Ablauf des Gesetzes von Ursache und Wirkung ein und niemand kann heute ahnen und voraussagen, wie die "sozial-ökonomische Planung", die wir uns als Theorie mit heissem Bemühen ausmalen, als reale Erscheinung dann einsetzen, verlaufen und ausgehen wird. Vorläufig kann sie nicht mehr als verschwommener Wunschtraum sein. Als solcher entgleitet sie jeder Gestaltung in der nüchternen Ebene des analysierenden Bewusstseins.

Wir werden uns daher begnügen müssen, zu wissen, dass wir - die bei der I. R. I. Tagung versammelten Adepten des "Social Economic World Planning" - an dessen Möglichkeit glauben, und seine Verwirklichung wünschen, ohne die nähere Darstellung eines sozial-ökonomischen Weltwirtschaftsplanes auch nur zu versuchen.

Vielmehr wollen wir zunächst einmal beispielhaft annehmen, ein solcher sei als logische, natürliche, zwangsläufige Folge weltweiter Research und weltgiltiger Standards tatsächlich einmal entstanden - denn nur so, organisch aus den Vorstadien und Vorarbeiten wird er werden; nicht durch genialen Entwurf aus dem Nichts heraus! -

Und unter dieser Annahme eines Planes wollen wir uns nun fragen, wie es mit der Durchführbarkeit steht. mit anderen Worten also, mit der Uebertragbarkeit der zwei anderen "Principles of Scientific Management": "Control" und "Co-operation" auf die weltwirtschaftliche Ebene.

IST PLANUNG UND COOPERATION IM SINNE DES SCIENTIFIC MANAGEMENT AUF DER WELTWIRTSCHAFTLICHEN EBENE DENKBAR?

Die eine, uralte Möglichkeit, die Durchführung eines Planes sicherzustellen, ist der Zwang.
Die andere, jüngere, ist der freiwillig eingeordnete Wille.
Der russische Fünfjahresplan beruht auf Zwang. Das "Planning" des Scientific Management beruht auf "Cooperation".
Autoritäre Anordnung, widerspruchs- ja prüfungslose Ausführung sind die Elemente des Zusammenwirkens zwischen den auf hierarchischer Rangleiter einander über- und untergeordneten Wirtschaftsmenschen im einen Fall.
Zusammenfassendes Führen (Dirigieren) an Hand eines von allen verstandenen und angenommenen Planes (Partitur) - sich anpassendes Ausführen desselben durch die funktionsmässig gegliederten Mitwirker an der Aufführung des gemeinsamen Werkes - "Cooperation" - gilt im anderen Fall.
Dort: "Kontrolle" im Sinne scharfer, mit allen Mitteln und Methoden der "Disziplin" vorgehender Ueberwachung einer pünktlichen und genauen Ausführung des anbefohlenen Planes.
Hier: "Control" im Sinne des zusammenfassenden Führens (Coordination) und Hinleitens zur anpassenden produktiven Mitwirkung an der Ausführung des gemeinsam und "wissenschaftlich" (d.h. auf Grund von auf Research beruhenden Standards) erstellten, vollverstandenen und angenommenen Planes.
Dort: Unterworfene Arbeitsausführung - Hier: Freigewollte Mitarbeit.

Die Probe aufs Exempel der beiden vorangeführten Möglichkeiten einer Ausführung volks- und weltwirtschaftlichen Planens ist nur unter bestimmten Voraussetzungen möglich.
Die Zwangsmethode setzt ein Wirtschaftssystem voraus, dessen politische, kulturelle und geistige Grundlagen die volle Aufgabe der individuellen Freiheit und restlose Unterordnung unter das Autoritätsprinzip, sowie Erzwingung des Letzteren durch Gewalt, ermöglichen. Unter diesen Voraussetzungen arbeitet die Sowjetwirtschaft mit in einheitliche Trusts zusammengefassten Wirtschaftsbranchen an der Ausführung eines von

oben her oktroyierten Wirtschaftsplanes. Aehnlich war auch die Kriegszwangswirtschaft aufgezogen.

Das privatkapitalistische Wirtschafssystem steht und fällt mit der Wirtschaftsfreiheit der Individuen und ihrer "Unternehmen". Es verträgt schlechthin keine autokratische Wirtschaftsautorität ober- und ausserhalb der souveränen individuellen Wirtschaftseinheiten - es wäre denn ein freigewolltes von diesen selbst durch spontane Delegierung ihrer Einzelwillen in einen Gesamtwillen gebildetes Organ.

Der Vergleich mit dem Völkerbund, der kein Ueberstaat ist, sondern Kraft der von den souveränen Mitgliedsstaaten freiwillig delegierten Machtbefugnis wirkt, drängt sich auf. Auch die individuellen Einheiten einer Wirtschaftsbranche werden im privatkapitalistischen Wirtschaftssystem keine internationale "Verbundswirtschaft" so weit treiben können, dass daraus ein diktatorischer Monopol-Weltkonzern entstünde, der alle Souveränitäten der Einzelnen schluckt.

Immer wird es Cooperation bleiben müssen, ohne Konzentration zu werden, organisationsverwandt dem Kartell und nicht dem Trust und Konzern; oganisationsverwandt, nicht aber wesensgleich; verschieden in der Einstellung, weil verschieden in der Motivierung.

Hier, in der Frage der Motivierung, scheint uns der Angelpunkt des Ganzen zu liegen.

Im vollfreien Wirtschaftsschaffen des Einzelunternehmens privatkapitalistischer Prägung gilt als Motiv, u.z. als alleiniges Motiv das Streben nach Gelderwerb in Form von Profit (Dividende) und Arbeitsentgelt. Der Gedanke, dass mit der betreffenden Wirtschaftstätigkeit eine Wirtschaftsfunktion im Dienste der Gesamtheit vollzogen wird, ist dem Bewusstsein der privatwirtschaftlichen Praxis fremd.

Es dominiert hingegen die kollektivwirtschaftliche Praxis in allen ihren Formen. Die einmal proklamierte und bekannte Notwendigkeit, dass die Wirtschaftsfunktionen ausgeführt werden müssen, u.z. im Dienste der Gesamtheit, schafft die Motivierung für das untergeordnete Ausführen im Rahmen eines von oben auferlegten Planes.

Gleiche Motivierung müsste der "Cooperation" des Scientific Management eignen.
Auf der betriebswirtschaftlichen Ebene ist das schon der Fall: "Service to the Community" ist im Rahmen der amerikanischen Bewegung kein blosses Schlagwort, auch keineswegs ein bloss human-moralischer Begriff. In gewissem Sinne liegt in der "Service Idea" die Formulierung der aus dem Schiffbruch der Manchester-liberalen Theorien gezogenen wirtschaftsphilosophischen Konsequenzen:
Nicht mehr gilt:
Das grösste Glück der Gesamtheit entsteht dadurch, dass jeder einzelne sein eigenes grösstes Glück sicherstellt.
Nunmehr sollte gelten:
Jeder stellt sein grösstes Eigenglück nur dadurch sicher, dass er dem Glück der Gesamtheit dient.

Die erste Maxime führte zum Kampf.
Die zweite wird zur Cooperation führen.
Im Kampf siegten zwar zunächst die Einzelnen, die Stärksten, Findigsten, Rücksichtslosesten; das anwachsende Massenleid der Unterlegenen aber verwandelte den Sieg in einen Pyrrhussieg und stellte das Ganze wieder in Frage.
Daraus reift die Erkenntnis, dass auch die Einzelnen nur bei Befolgung der Zweiten, der Dienst-Maxime, auf die Dauer gut fahren, wodurch die zur Erfassung und Verwirklichung des "Principles of Cooperation" erforderliche Geisteseinstellung auf jeder Seite entstehen kann.
Im Rahmen des Betriebes bedeutet dies:
Nicht mehr:
Ich wirke, um mir eine Dividende, einen Gehalt, einen Lohn zu erringen.
Sondern:
Ich wirke, damit das Werk gelingt, das mir dann implicite Dividende, bzw. Gehalt oder Lohn, bringt.
Nuancen in der Motivierung und der daraus hervorgehenden Einstellung zum wirtschaftlichen Schaffen sind es, die den Unterschied ausmachen. Wer keinen Sinn für Nuancen hat, dem sind sie auch mit Worten nicht klarzumachen.

Trusts, Konzerne, Kartelle und alle anderen Formen wirtschaftlicher Zusammenschlüsse nach Branchen, national oder international, dienen dermalen offensichtlich ausschliesslich dem Eigeninteresse ihrer Mitglieder. Ausschaltung der Konkurrenz zwecks monopolartiger Beherrschung des Marktes, "Haltung" der Preise, gemeinsame nach dem ausschliesslichen Gruppeninteresse orientierte Wirtschafts- und Arbeitspolitik sind die greifbaren Motive solcher Kooperationen, die doch nicht "cooperation" im Sinne des Scientific Management sind.

Ob es gelingt, den Wandel in der Motivierung zu erzielen -
Ob es gelingt, die neuen Formen einer "Verbundwirtschaft" einzig ihres Dienstes an einem Gesamtwohl bewusst zu machen, in dem das Wohl der Einzelnen erst dauernd beruht -
Ob es gelingt, dadurch eine freiwillige Cooperation herbeizuführen, die den Zwang überflüssig macht -
Ob es gelingt, das alles nicht nur im Rahmen des Betriebs und Unternehmens zu verwirklichen, sondern in die breiteren Ebenen der Volks- und Weltwirtschaft aufsteigen zu lassen - als Geist und Philosophie eines echten "scientific management" -
Ob es gelingt, die uns vorläufig noch als Utopie vorschwebende Weltplanung von der Gefahr, nur "ökonomisch" zu sein, zu bewahren und als "sozial-ökonomische aufzuzäumen, - davon hängt ihre Verwirklichung ab.

Von der Verwirklichung sozial-ökonomischer Welt-Wirtschaftsplanung hängt aber unseres Erachtens der Fortbestand des privatkapitalistischen Wirtschaftssystem ab.
Zu dieser Schicksalsfrage gesellt sich eine zweite:
Ist es möglich, dass auf dem gleichen Planeten eine auf sozialökonomischer Wirtschaftsplanung beruhende, von den vier principles of scientific management getragene, dessen gesamte Technik verwertende Weltverbundwirtschaft privatkapitalistischer Prägung zu einer dauernd gefahrlosen Symbiose mit einer in einer grossen Region der Erdoberfläche etablierten Kommunistischen Planwirtschaft gelangt?
Das ist eine Schicksalsfrage der Menschheit.

DISKUSSION VON Dr. HEINZ LUDWIG, Delegierter des Aufsichtsrats der Hermann Meyer & Co. A.-G., Berlin.

Sie können sich vorstellen, dass die Probleme, die hier zur Diskussion stehen, für einen Deutschen, namentlich für jemand, der in der deutschen Industrie tätig ist, von ganz besonderer Aktualität sind. Wir haben ja in den letzten Wochen in Deutschland, vielleicht am meisten in der Welt, das System unserer Wirtschaft wanken sehen und wir werden uns vielleicht in den letzten Wochen am meisten Gedanken darüber gemacht haben, ob eine Wirtschaft, wie wir sie jetzt haben, noch beizubehalten ist, bzw. modifiziert werden kann oder durch eine andere Form ersetzt werden muss. Es war daher ein besonderer Genuss für uns die Referate der Herren Person und Haan zu lesen und zu hören, das Referat von Herrn Person, weil es einige geistreiche, wenn auch vielleicht sehr subjektive Perspektiven zieht.

Ich sage: geistreich, wenn auch sehr subjektiv. Es wird vielen von Ihnen, die das Referat von Herrn Person gelesen haben, gegangen sein wie mir. Sie werden erstaunt gewesen sein zu lesen, was aus den Taylorischen Prinzipien werden kann und geworden ist: dass die Taylorischen Prinzipien, die Prinzipien von der Arbeitsgestaltung des einzelnen Arbeitsplatzes plötzlich nach der Auffassung des Herrn Person dazu dienen sollen, die Weltwirtschaft zu reformieren.

Deshalb sage ich: sehr subjektiv. Und wenn ich die Ausführungen von Herrn Person verfolge, wenn ich an Hand seiner Tabelle die Entwicklung seiner Prinzipien vom Arbeitsplatz, über den Betrieb, über den Verkauf, über die Verwaltung, über die Branche, über die Nationalwirtschaft bis zur Weltwirtschaft verfolge, so muss ich allerdings sagen, dass der Gehalt der Prinzipien mit dem Fortschritt der Stadien immer dünner geworden ist.

Ganz abgesehen davon scheint mir doch ein grundlegender Fehler oder bzw. eine Bruchstelle in der Rede des Herrn Person da zu sein. Er sagt, wenn die Arbeitsstelle rationalisiert worden ist, muss der ganze Betrieb rationalisiert werden; wenn der Betrieb rationalisiert worden ist, muss auch der Verkauf rationalisiert werden; und wenn der Verkauf der einzelnen Unternehmungen rationalisiert worden ist, muss auch die Branche in die Rationalisierung und Stabilisierung einbezogen werden.

Ja, das geht alles, so lange wir uns in der Wirtschaftseinheit

der Unternehmung befinden. Gewiss, ich kann, wenn ich Unternehmer bin, nach dem ich den Arbeitsplatz stabilisiert habe, die betreffenden Instanzen zwingen, den ganzen Betrieb zu rationalisieren, und ich kann über den Verkauf und den Betrieb hinaus den Finanzdirektor und den General-Direktor zwingen, das ganze Management zu rationalisieren, aber damit hat es mit dem Zwange und mit der Autorität ein Ende, denn wer will den General-Direktor oder den Aufsichtsrat einer Unternehmung dazu zwingen, nun gemeinsam mit seinen Kollegen die ganze Branche zu rationalisieren? Niemand kann ihn dazu zwingen. Die letzte Autorität, die etwas erzwingen kann, ist die Spitze der einzelnen Unternehmung - bisher wenigstens.

Herr von Haan hat mich in seinem gedruckte Bericht als Budget-Fachmann apostrophiert. Und Herr Person hat in seinem Referat eine sehr interessante Bemerkung gemacht. Er hat gesagt: „Nachdem wir gelernt haben mit Hilfe des Budgets den Verkauf, über den Verkauf hinaus das gesamte Management zu planen und zu kontrollieren, nachdem also durch das Budget eine Möglichkeit gegeben ist, die gesamte Politik einer Unternehmung unter Kontrolle zu stellen, hätten wir auch damit gelernt, eine Branche zu regulieren, und darüber hinaus sogar eine nationale Wirtschaft und sogar die Weltwirtschaft. Alles das könnten die Kenntnisse des Budgets bewirken."

Ja, das scheint mir etwas sehr optimistisch zu sein. Gewiss, ich glaube schon, dass diejenigen Leute, die budgetieren gelernt haben, geeignet sind auch eine grosse Wirtschaftseinheit bzw. eine Branche zu budgetieren. Denn die Probleme sind sehr ähnlich. Aber es handelt sich nicht darum, dass wir nun ein Mittel haben um eine Regulierung auszuführen, wir sollen erst dazu den Willen haben und den Entschluss gefasst haben. eine ganze Branche zu budgetieren. Und damit komme ich zum grundliegenden Fehler des ganzen Personschen Referats. Dans ganze Personsche Referat ist zu sehr auf die Mittel und zu sehr auf die Methode eingestellt; aber nicht über Mittel und Methoden führt unser Weg, sondern über den Willen und das Ziel. Es ist kein Zweifel daran, dass in einer Planwirtschaft eine Ordnung sein wird, welche man wahrscheinlich nur mit den Mitteln der wis-

senschaftlichen Betriebsführung herstellen kann, aber es wäre eine Ueberschätzung der wissenschaftlichen Betriebsführung, eine Ueberschätzung der Methode, wenn man glaubt dadurch zu einer Aenderung des Systems zu kommen.

Wenn Herr Person nach Amerika zurückgeht, wird vielleicht der Inhalt seines Referats in Amerika bekannt werden und man wird sagen: „Dieser Herr Person ist ja ein Sozialist!" Ich glaube, das wäre das Schlimmste was ihm in Amerika passieren könnte.

Aber, Herr Dr. Person ist ein Sozialist. Wer solche Formulierungen gebraucht: „Die Gesamtheit sämtlicher Prozesse, muss unter Kontrolle gebracht werden", ist ein Sozialist. Extremer und radikaler als Herr Dr. Person in seinem Bericht, können die Russen es auch nicht formulieren. Das ist gar kein Vorwurf; ich stelle es nur fest. Ich fürchte, dass die Gegner der Taylor-Schule in Amerika nun sagen werden: „Man sieht nun, wohin das Taylorische System uns geführt hat." Aber Herr Dr. Person hat aus seinen eigenen Forderungen nicht die Konsequenzen gezogen. Er müsste eigentlich zu einem streng zentralistischen System der Wirtschaftsführung kommen, zu einem Wirtschafts-System ökonomisch-sozialistischer Natur, wenn er die Linien fortführte.

Nun hat man gesagt: es gibt um dieses Ziel zu erreichen mehrere Möglichkeiten: die Möglichkeit des Zwanges und der Gewalt, und die Möglichkeit der Kooperation. Herr von Hahn hat in seinen Ausführungen, die von einem sehr tiefen, sittlichen Ernst und von einer sehr tiefen ethischen Art waren, auf den Geist als den bestimmenden Faktor der Wirtschaftsentwicklung angespielt. Es tut mir furchtbar leid, aber ich kann Herrn von Hahn nicht folgen. Ich kenne aber die Wirtschaft vielleicht etwas besser als er und weiss, dass nicht „Ethos" und „Geist" herrschen, sondern Interesse und Zynismus.

Wir können nur mit Realismus Politik machen. Herr von Haan ist ein Romantiker! Das soll kein herabsetzendes Werturteil sein, aber es heisst, dass mit seinem Idealismus leider nicht viel anzufangen ist. Leider! Aber es ist so. Wer die Wirtschaft kennt, kann sich auf die freiwillige, ethische Kooperation der Generaldirektoren als Mittel der Entwicklung nicht verlassen und

daran glauben. Die Geschichte zeigt uns, dass durchgreifende Aenderungen der Wirtschaft nur auf zwei Wegen sich durchgesetz haben: Unter dem Zwang der Notwendigkeit oder mit Gewalt. Als Beispiel des ersten nenne ich den Krieg, als Beispiel des zweiten die russische Revolution. Wir müssen mit diesem Skeptizismus enden, dass der Weg der Kooperation zwar wünschenswert ist, doch ein Weg, der keinen Erfolg haben wird und kaum ein Weg, der praktisch gegangen werden kann.

DISCUSSION PAR M. LE DR. EDMOND LANDAUER, Secrétaire Général du Comité International de l'Organisation Scientifique, Paris.

Je crois que je vais soutenir une thèse assez semblable à celle du Dr. Ludwig, et l'identité de nos pensées provient probablement du fait que nous sommes tous deux des industriels et que nous sommes par conséquent plus habitués à examiner les réalités objectives de la vie que les idéalisations philosophiques, si tentantes qu'elles puissent être.

Dans leurs rapports, Messrs. Person et von Haan ont mis en évidence une situation curieuse. Par la gestion scientifique, (une nouvelle expression que l'I. R. I. a lancée et qui est peut-être très supérieure, à l'expression „organisation scientifique" que nous avions adoptée jusqu'ici), nous sommes arrivés à des progrès immenses dans l'organisation du poste de travail, de l'atelier, le l'entreprise. Puis, tout à coup, nous nous apercevons que nous sommes dans une impasse. Nous avons pris un homme, nous l'avons élevé soigneusement, nous avons soigné son hygiène et puis un beau jour, qu'avons-nous fait? Nous l'avons enfermé dans un chambre dont l'air est vicié et nous sommes étonnés que cet homme soit en train de mourir: Le problème se pose de savoir comment nous allons passer de ces progrès indéniables que l'organisation scientifique et les méthodes de Taylor ont fait faire à l'industrie, au domaine général de l'économie du monde - en d'autres termes, comment allons-nous reprendre cette phrase de Nietzsche: „On voit s'avancer hésitante, terrible, inévitable, comme le destin, la question: comment faut-il administrer le monde dans son ensemble?"

L'on nous dit: „Eh bien, continuez et faites de l'économie

dirigée." De l'économie dirigée - et par qui et comment? Je demande à voir le directeur. Je demande à voir ce surhomme de génie, cet être que je ne conçois pas, qui serait capable de diriger l'économie d'un pays, ou l'économie du monde. L'Allemagne a eu de grands hommes, d'autres pays en ont eu aussi. Cependant la limite de leurs capacités s'arrêtait quelque part. L'Allemagne souffre encore aujourd'hui de la mort de Walther Rathenau et pourtant, si grand homme qu'il ait été, je ne pense pas qu'il aurait pu diriger le monde dans son ensemble.

On a dit ce matin une chose très vraie - les grandes affaires vont souvent plus mal que les petites. Pourquoi? Mais uniquement parceque à la tête d'une affaire il faut un homme - c'est là une des grandes lois naturelles qui dominent l'économie politique. Plus l'affaire est importante, plus les qualités du chef doivent être exceptionnelles. Si l'entreprise devient trop vaste, à un moment donné cet homme ne se trouve plus à la hauteur de sa tâche, ne dirige plus, il est entrainé, ne peut ni changer ni souvent prévoir les évènements. Quand il s'agira de diriger l'économie du monde je crains que nous ne trouvions pas ce surhomme, ce directeur de génie. - je ne crois pas qu'il existe. Mais enfin, supposons qu'il en existe un. Un homme n'est pas immortel. Quelle est cette prospérité qui se limiterait aux quelques années de la vie, d'un homme, qui serait à la merci d'un accident qui transformait une prospérité momentanée en un désastre encore plus grand.

Mais allons encore plus loin et écartons cette question du directeur. Que nous offre-t-on comme moyen de réalisation de cette Economie Dirigée? On nous donne à choisir entre une théorie qui respecte la propriété privée: le socialisme, ou une autre qui supprime la propriété privée: le communisme. Voilà les méthodes qui permettraient de diriger l'économie en concentrant en une seule main, l'Etat, le droit de faire du „planning".

Ce n'est pas ici le lieu de faire de la politique et aucun d'entre nous n'abordera le domaine politique. J'ai, pour ma part, le respect le plus absolu pour les opinions des autres, partant pour les théories socialistes et suis certain qu'elles contiennent - comme toute chose humaine - du meilleur et du fûre. Je vais même admettre que, sur le papier, l'application des théories so-

cialistes pourrait donner de bons résultats. Mais, en pratique, l'expérience est là et elles n'ont pas mieux réussi que les autres. Nous avons des pays dirigés par des gouvernements socialistes. Ont-ils échappé à la crise? Non - n'en faisons pas reproche à la théorie socialiste - elle ne pouvait donner ce qui est impossible de donner.

Et le communisme? Nous avons eu, à Paris, il y a quelques semaines, une réunion où des délégués soviétiques nous ont exposé leur plan économique: leur exposé était intéressant, remarquable même, mais lorsqu'il fut terminé, nous avons vu se lever un homme, et un homme qui devait bien connaitre la Russie - Mr. Kerensky, qui a opposé, aux affirmations des délégués du Gouvernement soviétique, d'autres faits qui les infirmaient. Nous savons aussi, nous autres industriels, qu'il se passe en Russie des choses qui semblent ne pas corresprondre à ce qu'on nous dit et nous posons la question: Qu'est-ce qui est inexact? Nos renseignements ou les affirmations des délégués de l'U.R.S.S.?

Avant de tirer une conclusion d'où dépend toute l'organisation sociale de l'humanité, il conviendrait peut-être d'éclairer au préalable cette question.

Mais passons encore sur celà et venons au point essentiel de la question. Qu'y a-t-il au fond de toutes les questions économiques? La nature humaine. C'est de la nature humaine que vous devez partir pour créer les doctrines économiques. Vous ne pouvez pas faire de l'homme un ange qu'il n'est pas, n'a jamais été et ne sera jamais. Vous devez partir, pour faire de l'économie politique, pratique, des sentiments propres à l'homme et notamment l'instinct de la conservation qui se manifeste sous la forme de l'intérêt personnel. Lorsque Taylor a amélioré le travail du porteur de gueuses de fonte l'a-t-il amené à sa façon de voir en lui tenant des discours sur la beauté éthique des nouvelles conceptions du travail? Non, il lui a dit: Voulez-vous gagner plus d'argent?

Lorsque vous travaillez dans vos entreprises industrielles, vous pouvez faire agir cet intérêt personnel en payant mieux l'ouvrier, en lui assurant plus de stabilité et ainsi obtenir un effort supplémentaire. Mais si vous passez de l'économie particulière a l'économie internationale, qu'avez-vous à offrir comme „incentive"

- pour employer un mot anglais dont je ne trouve pas la traduction - à ce tissage belge qui est encombré de tissus et a besoin d'argent pour l'empêcher de faire du „dumping" à Shanghai et faire ainsi du tort aux tissages du Lancashire qui ont, eux aussi, besoin de vendre ces tissus? Je n'en sais rien.

J'irai encore plus loin - je passerai sur tous ces arguments et arriverai à une question qui a fait l'objet, il y a quelques semaines, d'une conversation par correspondance entre Mr. von Haan et moi. Ne sommes-nous pas tous ici en train de nous battre avec une chose qui nous dépasse complètement? Le monde entier subit une crise épouvantable. Nous la regrettons, presque tous nous en souffrons.

Avons-nous le droit de dire que cette crise est évitable et oserions-nous affirmer qu'elle n'est pas inévitable et utile? Je sais que je vais prononcer des paroles qui m'effraient moi-même, et vous ne devez pas croire que ces paroles représentent mon opinion ou mon avis. Le chimiste n'est pas responsable du résultat de ses analyses et le sens de la méthode de Taylor, si je crois avoir bien compris, est de ne pas avoir d'opinion, de réunir les faits et d'en tirer une conclusion logique.

D'une vie entière passée dans l'industrie, m'est venue la conviction que nous sommes dominés par des lois économiques naturelles que nous ignorons pour la plupart. Il y a au-dessus de nous des lois qui nous dirigent que nous le voulions ou pas, avec autant d'inflexibilité que la loi de gravitation universelle pour les astres. Elles provoquent de la souffrance? Oui, c'est vrai, mais il y a d'autres lois naturelles qui nous font souffrir et auxquelles nous ne pouvons échapper. Il y a une autre loi qui veut - que nous mourrions. La mort est pour chacun de nous une chose très grave, très douloureuse. Cependant, imaginez-vous un congrès qui chercherait à supprimer la mort? Je me demande si vouloir supprimer les crises économiques n'est pas un peu vouloir supprimer la mort. Les crises économiques ne sont-elles pas un phénomène inévitable, utile au développement de l'humanité, qui tend vers un but que nous ignorons par des voies qui nous sont mystérieuses? Il y a en tout cas une chose dont nous devons reconnaitre la réalité, c'est que le progrès est toujours sorti de crises. Jamais vous n'aurez un progrès de

l'humanité si vous n'admettez pas, en compensation, des crises et des souffrances. Nous pouvons nous demander si en supposant cette humanité idéale réalisée et dirigée par un homme de génie qui dise: vous fabriquerez autant et vous consommerez autant - l'homme ne cessera pas de travailler, de chercher, d'avancer. A part certaines élites assez rares, est-ce que tous les efforts que nous faisons ne sont pas accomplis parceque nous y sommes obligés? Tout le drame des monopoles d'Etat ne provient-il pas de cette suppression de la concurrence qui est le phénomène le plus douloureux mais le plus vivifiant de toute la vie de l'humanité?

Alors me direz-vous, que faut-il faire? Faut-il donc admettre la théorie du laissez-faire et laissez-souffrir? Non, je ne crois pas. Nous ne pouvons pas supprimer la mort mais nous pouvons au moins tenter de supprimer la maladie et par une vie bien ordonnée, par de l'hygiène, prolonger la vie de l'individu. Sans chercher à arriver à l'économie dirigée, à laquelle, selon moi, on n'arrivera pas, on peut cependant faire pour la société beaucoup de choses - mais par la voie de la contrainte.

Je me rappelle qu'il y a 25 ans je suis revenu des Etats-Unis après avoir puisé les enseignements de Taylor. J'ai cherché à les appliquer dans l'industrie, mais j'ai dû aller me cacher dans une petite ville au fin fond de la Roumanie pour en faire l'essai parceque c'était considéré alors comme une chose ridicule, honteuse, de s'occuper des balivernes qu'on estimait être à cette époque, les idées de Taylor. Quelques années plus tard je suis sorti timidement de mon trou, j'ai dit ce que j'avais fait et plusieurs associés m'ont répondu: „Celà vaut mieux que d'entretenir des danseuses". A l'heure actuelle, quel est le chef d'entreprise, le directeur, qui oserait dire: „Dans mon usine on ne s'occupe pas de rationalisation"? C'est une chose qui est désormais reconnue comme scientifique. C'était une honte autrefois, maintenant c'est un motif d'orgueil.

Que s'est-il donc passé pendant ces 25 ans? Il s'est passé que l'opinion publique - cette force formidable qui nous domine tous - cette puissance à laquelle personne ne résiste, est devenue consciente de la rationalisation. On s'est aperçu qu'il avait là quelque chose d'utile, de bon, et qui a exigé qu'on l'applique.

Je crois que c'est uniquement sous la pression de l'opinion publique qu'on modifiera quelque chose dans nos organisations économiques, ou sociales. Autrement, ce ne sera jamais fait.
Mais comment éveiller cette opinion publique? De toute évidence par des congrès comme celui-ci et nous devons remercier chaleureusement les organisateurs de ce congrès d'avoir osé alerter l'opinion publique et de l'entretenir d'un problème qui les fera probablement traiter de visionnaires. Il faut d'ailleurs toujours qu'il y ait des gens qui visent au-delà du but à atteindre pour arriver à quelque chose. Mais il faut commencer par le commencement - c'est à dire par éclairer notre lanterne. Nous sommes un peu dans la situation du singe qui montrait la lanterne magique mais qui a oublié de l'éclairer - nous manquons de statistiques - aucun industriel ne sait rien - nous ne savons pas où nous allons. - Il faut donc demander aux organes qui peuvent le faire: gouvernements, société des nations, de nous donner les statistiques nécessaires, indispensables. Mais il faut encore autre chose. Lorsque des bateaux s'en vont sur la mer, lorsque les avions partent dans les airs, ils ont à leur service un service international de météorologie fonctionnant sur le monde entier, qui indique qu'à tel endroit il y un cyclone, du mauvais temps, et qui leur conseille de prendre tel ou tel chemin pour ne pas risquer la mort.
Dans notre économie industrielle et commerciale, nous n'avons pas d'Office Météorologique International - c'est une des choses possibles à réaliser - une des réalisations auxquelles on peut arriver. Nous devrions demander - peut-être à un organisme aussi puissant que la Chambre de Commerce Internationale, d'arriver à ce que dans le monde entier, il y ait des postes d'écoute, d'observation, qui nous indiquent: Attention, dans l'industrie de la chaussure il y a une surproduction qui se prépare, ou bien: dans l'Argentine, il y a déjà une trop grande quantité de tissus qui sont importés et de plus grandes importations peuvent provoquer une crise. Je crois que le jour où l'on aura éveillé l'opinion publique, où on aura fourni aux industriels et aux commerçants des indications précises qui ne permettront plus de faire des erreurs, nous pourrons abandonner au tribunal de l'opinion publique tous ceux qui n'auront pas voulu

harmonious relations in industry, we still find in the majority of factories that working conditions are very bad, that working rooms have bad ventilation and bad lighting, and that there are insufficient safety organization and facilities for accident prevention, and no provision of dining and rest rooms. And last, but not least, they are without even much effort toward the stabilization of employment. The system of the education of workers and apprentices is often very poor, if it exists at all, and the harmonious cooperation of management and workers is very rare. The workers are still very often treated as "robots" for accomplishing set tasks, for which they receive small wages from day to day, just so long as the employer needs them.

We cannot believe that rationalization is the only real cause of unemployment. Statistics show that a small minority of the world's population receives the lion's share of the wealth produced and that the majority, who form the bulk of consumers and who therefore control distribution, have an ever-diminishing income. If, therefore, we are to stabilize production, we must organize a better distribution of the goods produced. The organization of a better distribution of production is, however, possible only when we have a better and more harmonious distribution of wealth and income, and of the incidence of taxation.

The conditions of to-day are tragic for all mankind. The big political leaders of the world have known how to organize in such a marvellous way the world war for the destruction of men and wealth, and now seem to be working on the preparation and much better organization of a new war which will be even more terrible and destructive than the last. Instead, both national and international leaders should discuss the means for the stabilization of production and employment and for the better distribution of both wealth and income.

We therefore welcome the propositions made by Dr. Person, namely: to call a great international conference for the planning of world industry; to call an industrial conference in each nation for the purpose of stabilizing national industry; to call national and international conferences of great industries in which each will create for itself a reign of law and order;

and, finally, in every industrial community to encourage co-operative effort on the part of individual enterprises to apply the stabilizing force of scientific management. Such conferences would approach their tasks, not in the spirit of political discussion and negotiation, but in that of creative reorganization.
This, it seems to me, is the key-note of Dr. Person's address.

DISCUSSION BY WALLACE CLARK, Consulting Engineer, New York and Paris.

For a good many years I have been saying that no one could interpret the scientific management movement in America with as deep an understanding and as clear a presentation as Dr. Person. I must now add that no one to my knowledge could have shown keener vision in clearing a broad and practical path for world-planning.
And your committee has been equally happy in selecting Baron von Haan to set forth the progress in Europe, for at the International Management Institute he sees everything that is going on, and what is more important, has a real understanding of what he sees.
These two papers have shown clearly that it is because scientific management has given us the foundation, we can now talk about the planning of industry and agriculture for the good of the people as a whole.
All who are familiar with the progress of management know how these methods have met the objection that this or that industry is different. Everyone knows how these methods were adapted successfully and how the objectors came to realize that the differences in industries were non-essential.
In my own experience of the past 5 years in applying management methods to industries of 9 countries, I have met these same objections, that American methods could not be applied in this country or that, where psychology and traditions were so different. And here too experience has proved that the principles of scientific management are universal - that differences of countries, as those of industries, are non-essential.
I would like to add a few convictions which have come to me out of this same experience. The planning should not be

too strongly centralized. The broader the field covered by the plan, the more necessary it is to have the support of those affected by the plan. Therefore there must be a general agreement as to aims.

Business and finance have become so complex that it is not possible for any one group, no matter if they are supermen, to give us a plan that will work successfully on so wide a scale. It is necessary to make use of the knowledge and experience of those who have been operating industry. A central headquarters can outline plans on broad lines and see that they conform to the agreed-upon aims. It would also maintain prompt records of progress. The planning in detail and the execution must, of course, be done close to the facts.

A matter of great importance is to secure the creative ideas and the energetic cooperation of everyone all down the line. The progress will be more sure than if it is motivated and directed by a small group.

It seems not only just but inevitable that the worker will have more to say about this planning than he has in the past. More of his creative ability must be used and at the same time he must broaden his point of view and must realize more fully the importance of the kinds of knowledge he does not possess. The skill of the workman is necessary, but the skill of the administrator is equally important and far more difficult to find.

We can not expect our attempts at planning to move along quickly even after a general agreement is secured as to aims. It is likely to be done at a time of social change and tension, and then those who adhere most closely to the principles of management and with no emotion make use of the best technic, will have the best chance of accomplishing permanent results.

Last year at a meeting of the Taylor Society I was asked what difficulties we met in installing management in Europe and I replied that we did not have any beyond the usual lack of familiarity with new methods. This year, however, the equilibrium not only of business but of men's minds has been so disturbed that it has shown itself in a variety of ways. Among workers it has been caused indirectly by fear of unemployment, and among plant executives by a more acute fear of change.

These situations have been met only by sticking closely to the principles of scientific management.

During the recent financial crisis in Germany, where the co-ordination of production, sales and finances has presented such grave problems, only a technic of planning designed to meet changes has made it possible to carry on.

To be successful in this proposed extension of management into national and world planning, the methods must be flexible and above all must take into account the element of change. The tempo of industry has greatly accelerated during the last decade and in the next it will move even faster. Management and particularly planning must develop and perfect the technic of change.

DISCUSSION PAR M. HENRI PAUWELS, Secrétaire Général de la Confédération des Syndicats Chrétiens de Belgique, Bruxelles.

Je n'avais pas l'intention d'intervenir dans cette discussion, mais j'ai entendu au cours de celle-ci certains exposés qui m'obligent à prendre la parole.

J'ai entendu, en effet, défendre des thèses et des idées qui me paraissent être presque d'un autre âge et qui, si elles ne sont pas périmées, sont pour le moins en voie de forte évolution.

Deux employeurs sont venus à cette tribune pour nous dire que, comme employeurs, ils entendaient se placer sur le terrain des réalisations pratiques. Cela est fort raisonnable, mais il faut quand même admettre que, dans l'évolution économique et sociale qui se poursuit aujourd'hui, il y a lieu de ne pas considérer les questions terre à terre, qu'il importe de les considérer de plus haut et de tâcher de donner à l'évolution économique une orientation qui nous conduira vers une économie meilleure.

Que l'intérêt personnel soit à la base de beaucoup d'actes humains, c'est assurément chose vraie. Mais ce qu'il faut éviter, c'est que l'intérêt personnel ne soit de l'égoisme, ce à quoi il faut tendre c'est à concilier l'intérêt personnel avec l'intérêt général.

On pourrait dire que le mal dont souffre notre économie est dû à une crise d'individualisme, à l'absence de préoccupations de satisfaire aux exigences de l'intérêt général bien compris.

Or précisément, si nous voulons tenir vraiment compte de l'intérêt

général, nous devons aboutir à une meilleure organisation de la vie économique.

On a dit: le contrôle de la vie économique c'est le socialisme. Je ne puis admettre cette manière de voir. Que ce ne soit plus le libéralisme, d'accord: mais de là à dire que c'est le socialisme il y a de la marge. Toute la question qui se pose est de savoir s'il faut laisser les forces économiques se heurter, s'entrechoquer au risque de conduire à des catastrophes ou d'aboutir tant bien que mal à un équilibre quelconque qui peut se rompre à tout bout de champ, ou s'il n'est pas préférable de réglementer ces forces, de les régulariser pour aboutir à une économie organisée, vraiment à même de servir les intérêts des individus et de la collectivité.

Est-ce là du socialisme? Est ce là du communisme? Je le dis nettement, je ne le pense pas et j'ajoute que ma conviction est que nous marchons vers une intervention toujours plus grande de l'Etat dans la vie économique. Je le répète: cela est indispensable si nous voulons aboutir à une économie organisée ou, comme on dit aujourd'hui, dirigée.

J'estime qu'il est nécessaire d'aboutir à cette organisation de la vie économique si nous voulons éviter les crises: crise économique aussi bien que crise de chômage. Sans doute il a des économistes fatalistes qui nous parlent de la fatalité des crises: qu'après un certain nombre d'années grasses, les années maigres, celles de la dépression arrivent, que les crises sont nécessaires car elles éliminent des entreprises en surnombre dont la nécessité économique n'est pas prouvée.

Si de telles entreprises peuvent naître et croître, c'est précisément parceque quelque chose cloche dans notre régime ou seul le désir du gain agit. Et si aujourd'hui on constate que les capacités de production dépassent de loin les possibilités de consommation, n'est ce pas précisément parcequ'il y a quelque chose de détraqué dans notre régime économique?

J'ai lu avec grand intérêt le rapport de Miss Van Kleeck. Elle y rappelle fort opportunément ce que disait le Dr. Wagemann sur les crises et les maux sociaux et autres qu'elles entrainent. Et comment n'être pas impressionné douloureusement à l'idée qu'il y a actuellement - d'après les estimations autorisées - de

20 à 22 millions de travailleurs privés d'emploi soit totalement, soit partiellement, ce qui signifie pour eux des privations, de la misère alors que le monde regorge de tout?

On nous parle tous les jours de rationalisation. Mais qu'est-ce la rationalisation si ce n'est l'organisation de l'économie toute entière et non l'aménagement d'une entreprise déterminée ou même d'une industrie? La réalité est que la rationalisation doit aussi être appliquée à la répartition des richesses faute de quoi elle ne se poursuivra que sur un plan imparfait.

Peut on espérer que nous viendrons bientôt au bout de nos tribulations économiques? Je lisais récemment un discours du Président des Etats-Unis, M. Hoover, qui signalait fort judicieusement qu'il n'y a pas encore si longtemps que nos pays - même les plus isolés - étaient ravagés régulièrement par des épidémises - fièvre typhoïde, variole, choléra - mais que la science médicale et pharmaceutique en était venue à bout.

Pourquoi ce qui est vrai pour la santé du corps cesserait-il de l'être pour la santé de l'économie? Est-ce parcequ'il s'agirait d'un autre domaine?

Ce qui est vrai c'est qu'on ne peut demander à une science récente, comme l'est la science économique, de fournir le remède radical qui mettrait fin à une situation extraordinairement complexe, ou tant d'intérêts importants sont en jeu. Mais les efforts se poursuivent partout, il n'est pas douteux que nous abandonnons de plus en plus l'économie qui a régi le monde pendant plus d'un siècle et que nous marchons vers un régime qui s'inspirera d'autres conceptions, d'autres directives.

On a dit: il y a des lois naturelles qui régissent les actes économiques, comme il en est qui président aux mouvements des astres. On me permettra de faire ici une petite distinction entre la vie économique qui est faite d'actes humains et les mouvements des astres qui, à ma connaissance du moins, ne le sont pas. Je pense que pour éviter de grands désastres il est préférable, dans l'état actuel des choses, que les humains ne se hasardent pas à vouloir orienter à leur façon le mouvement des astres quand on voit leur impuissance à diriger ce qui se passe sur notre planète. Mais je le répète, l'économie est faite d'actes humains et c'est précisément un des sentiments les plus naturels

de l'homme de dominer les choses qui exercent une influence sur sa vie et de ne pas s'y laisser subordonner.
Les actes économiques sont dirigés par l'esprit. C'est à l'esprit humain de concevoir d'autres méthodes que celles que nous avons suivies. Cela fait, le reste suivra.
C'est cela que je vous demande de prendre en considération. Il est naturel que nous ne puissions pas constituer du jour au lendemain une société nouvelle - chacun en tombe d'accord - tout comme l'on comprend qu'on ne peut bâtir un édifice en commençant par le toit; mais néanmoins, chaque jour qui passe, nous devons. si nous voulons assurer la prospérité dans le monde, si nous voulons assurer aux classes ouvrières qui souffrent plus que toute autre des dépressions économiques et des crises, si nous voulons leur assurer plus de bien-être et une sécurité indispensable, si nous voulons faire leur bonheur, et le bonheur de l'humanité entière, je pense que c'est vers l'économie organisée que nous devons diriger nos efforts. Soyez persuadés que chaque jour qui passe. si nous le voulons, apportera sa pierre à l'édifice de l'économie dirigée qui pourra donner la solution aux problèmes graves économiques et sociaux qui nous assaillent.

DISKUSSION VON PROFESSOR DR. GOETZ BRIEFS, Leiter des Instituts für Betriebssoziologie und soziale Betriebslehre an der Technischen Hochschule zu Berlin.

Ich stelle mir vor, wir lebten just vor hundert Jahren und in diesem Saale sässen die Menschen, die vor drei Generationen die wirtschaftlichen Probleme ihrer Zeit zu erörtern hatten. Ich bin sicher, dass wir alle dann sagen würden: „Wir müssen heraus aus der staatlich und zunftmässig gebundenen Wirtschaft und hinein in die freie Konkurrenz!" Wir würden mit ähnlich überzeugenden Argumenten wie sie heute für die Planung angeführt werden, damals für die absolut freie Konkurrenz gesprochen haben. Und wir würden von ihr behauptet haben, dass sie die wirtschaftliche Harmonie heraufführt. Drei Generationen waren überzeugt, dass die freie Konkurrenz Wohlfahrt und soziale Harmonie heraufführe. Jetzt aber, auf diesem Kongress. haben wir nur sehr wenig Stimmen gehört, die mit aller Konsequenz den Gedanken des freien Konkurrenz-Kapitalismus hier

vertreten haben.

Wie stark aber auch der Unterschied zwischen damals und heute zu sein scheint, so ist der geistig geschichtliche Hintergrund doch derselbe heute wie damals. Die Idee von der notwendigen Ordnung in der Welt, die Idee der Harmonie, der Gedanke des Fortschrittes, das sind die treibenden Ideen, die damals wie heute hinter dem wirtschaftlichen und sozialen Wollen stehen. Man ist überzeugt, dass der Weg der Menschheit in gerader Linie aufwärts gehen könne und solle, und dass dieses Vorwärtsschreiten ein Vorwärts zum Ausgleich und zur Harmonie sei. Die geistigen Zielpunkte der Gegenwart also sind identisch mit denen der Vergangenheit. Die Mittel aber sind andere geworden.

Unsere Zeit glaubt nicht mehr an die Spielregel des Konkurrenzsystems. Ich könnte mir jedoch denken, dass ein überzeugter Kapitalist in vollem Ernst und sogar mit gewissem Recht sagen würde: „Wir haben ja gar keinen reinen Kapitalismus mehr!" Wir haben keine Freiheit des Güterverkehrs von Land zu Land, wir haben stärkste Bindungen innerhalb der Wirtschaften der Länder durch den Staat und die Selbstorganisation aller wirtschafttragenden Kreise. Darum kann die Mechanik des Kapitalismus nicht funktionieren. Der Ausgleich der Warenmärkte, des Arbeitsmarktes. der Kapitalmärkte ist unterbrochen, mit der Wirkung der Arbeitslosigkeit, der überhöhten Preise und Zinsen, mit der weiteren Belastung durch Steuern und unentgeltichen Leistungen (Reparationen). Ich kann mir vorstellen, dass ein überzeugter Kapitalist sagen würde: „Sire, geben Sie wirtschaftliche Bewegungsfreiheit". Ich könnte mir denken, dass er verspräche, dass eine weltweite wirtschaftliche Bewegungsfreiheit die Krise vielleicht zunächst verschärfen würde aber dann sehr schnell zum Abklingen brächte.

Ich glaube nicht, dass wir auf dem Standpunkt der absoluten freien Konkurrenz innerhalb der Wirtschaften und unter den Volkswirtschaften zurückkehren. Es hat sich offenbar eine neue Form von Wirtschaft entwickelt, die weder kapitalistisch noch sozialistisch ist, und der zu Unrecht alle bösen Folgen einer Mischwirtschaft zugeschrieben werden. Die Mischwirtschaft ist offenbar auch eine Ursache der Krise und sie ist in der Krise auf

ihrem eigenen toten Punkt gekommen. Es wäre nötig diesen toten Punkt durch Massnahmen der Wirtschaftspolitik, die sicher teilweise Planung sein würde und müsste, zu überwinden. Nur muss man sich nicht von vornherein klar machen, dass ein konfliktsloser, reibungsloser Zustand der Wirtschaft in keinem Falle zu erreichen ist. Wir wissen aus aller Erfahrung der Menschheit, dass die Idee der Harmonie vorhanden ist, aber noch nie und nirgends 100-prozentig realisiert wurde. Jede neue Form der Wirtschaft wendet sich abwehrend gegen eine bisher vorhandene Form, aber indem sie sich selbst neu gestaltet, beschwört sie die ihrer Form anhängenden Spannungen, Konflikte und Reibungen herauf.

Die Idee der vernünftigen Planung in der Wirtschaft ist sicher eine lebendige, fruchtbare Idee. Nur darf man sie nicht absolut setzen und nicht überspannen. Insbesondere darf man nicht glauben, dass diese Planung von oben her und auf Weltweite ausgespannt werden kann. Ein Teil der Wirtschaft wird immer in territorialer und nationaler Bildung beschlossen bleiben müssen. Planwirtschaft auf weltweiter Basis kann dann erst diejenigen Wirtschaftsgebiete erfassen, die eben schon Angelegenheiten zwischen den Völkern geworden sind. Diese Planwirtschaft hat insbesondere zu vermeiden, die freiwilligen spontanen Kräfte von einzelnen und nationalen Wirtschaften zu sehr durch Regelung von oben und Zwang zu ersetzen.

Es scheint mir, dass die meisten Redner hier zu einseitig die wirtschaftliche Seite betrachtet haben. Die Tagung war bisher ein Schreien nach der rein wirtschaftlichen Planvernunft. Wir müssen aber blind sein, wenn wir nicht sehen, dass die monomanischen Wirtschaftsvorstellungen zurücktreten. Die Völker die, wie Deutschland, in ihre Nationalexistenz ungesichert sind, fühlen, dass das Wirtschaftliche nicht unbedingt der primäre Wert ist, und dass politische und nationale Lebensordnungen und Lebenssicherungen noch vor der besten Versorgung der wirtschaftlichen Bedürfnisse stehen. Eine politische und nationale Ordnungsidee, deren Untergrund sittliche und kulturelle Ordnungsidee sind, tritt offenbar stärker gestaltet hervor. Ich schliesse mit einem Wort von Gratry: „Die Menschheit hat die Möglichkeit heilig oder verbrecherisch zu leben." Wir können

eben so gut sagen, sie hat die Möglichkeit vernünftig und unvernünftig, gut und böse zu leben. Wir danken es der I. R. I., dass sie zu ihrem Teil mitwirkt, dass die Menschheit in Zukunft vernünftig und gut leben kann.

THE PROBLEM OF ECONOMIC PLANNING*

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We have presented to us a picture of the greatest paradox of all times - the paradox of misery and privation in a world of immense economic resources and productive powers. In a world which has billions of mechanical slaves working for it and which can produce enough wheat, cotton, lumber and steel to feed, clothe and shelter every human being in decency, there are millions of persons idle against their will, hungry despite their offer to work for their food, humiliated despite their faith in the dignity and value of human labour. This paradox is a challenge to our intelligence and to our capacity to make life worth while, and we must meet this paradox or declare ourselves mentally and morally bankrupt.

We are gathered to consider the newer ideas and methods which are forcing their way through the economic confusion of the times. We are not diplomats, nor official representatives of countries with power to make decisions. We are unofficial citizens of our respective countries acting in an individual capacity. Yet we are representative and responsible in the sense that we are to give our best thought to the problem of world distress and to give voice to the ideas which large numbers of people are considering everywhere with hope in their power to put new vigor into the economic and social life of the world.

The world crisis to-day may be viewed, as it is by many, merely as one of those major business depressions which have shaken western civilization recurrently in the past hundred years or so. Or it may be viewed primarily as a stage in the slow and painful liquidation of the World War which has been going on for over a decade and which is still far from completed.

More correctly, it should be viewed as a combination of the two. The World War itself was the tragic climax of economic and political changes which called for international readjustments

* A printed paper, prepared by Dr. Lorwin and made available in advance of the Congress with the intention of stimulating thought on the subject and of serving as a basis for discussion, has been included in an addendum to this volume.

which might have been made peacefully had the world been prepared for such a task in 1914. And the present economic slump would not have reached the acute character it now has, had not the industrial changes of the last ten years been aggravated by the dislocations in capital, labor, credit and political power which were caused by the war and the so-called Treaty of Peace.

But there is a third element in the situation which is of equal importance. The present moment is a complex product of developments which have been going on for decades and which are now seemingly coming to a head. For at least twenty five years before the war, the basic economic and political institutions of the Western world were being modified, corrected and readjusted from an individualistic to a social basis, and this process of socializing was accelerated by the war. So that to-day, in addition to a major business depression and to a post-war liquidation we are experiencing a world-wide process of social change from the unlimited economic individualism and political liberalism of the XIX century to new and as yet not fully perceived economic and political forms of the XX century.

A clear recognition of this threefold character of the present crisis is essential if we are to set out in the right direction for remedies. For the remedial proposals of individuals and groups follow from the way they view the present situation. Those who see in it primarily a business depression, especially in the United States, assure us that it will right itself automatically and soon. Applying well known criteria, they tell us that curtailed production is facilitating the liquidation of stocks, that replacement demand will soon begin to stimulate production, that wage readjustments, dividend cuttings, and lower interest rates will deflate costs, and that as soon as these processes are under way prices will begin to move forward, the business community will be aroused to new activity and energy, and the stock market will give the whole procession a push forward by capitalizing at once the new expectations of profit and the reawakened desire for speculative gains.

On the other hand, those who see in the present situation a result

of the war, stress the need of readjustments in the financial and commercial relations created by war debts, by nationalistic tariff policies and by the transfers of political sovereignty which have broken up old trade routes and markets. Obviously, those who take this view cannot rely entirely on automatic processes. Positive steps must be taken by governments or private leaders of industry and finance to correct the mischief done, by methods which cannot but be international in character. The Hoover moratorium is regarded by them as but the first step in the direction of such international action.

One may admit the element of validity in these remedies for short run purposes. It is possible that the present depression should right itself gradually without any conscious intervention and without further serious changes in our economic and political structure. But this would simply mean that the day of reckoning would be put off another few years. Another period of prosperity such as we had from 1925 to 1929 produced by the same processes of profit-making and uncoordinated expansion would inevitably run its course and come to the same end. The laissez-faire enterprisers and individualists of all countries would give us again, as they have now, glutted markets in wheat, sugar, cotton, oil, copper and other raw commodities which have meant a prostrate world agriculture and practical bankruptcy for many raw material producing countries with their repercussions on world trade and industry.

In fact, there is every reason to believe that the incapacity of laissez-faire to maintain a progressive equilibrium in the economic activities of nations and of the world is likely to become even more aggravated in the near future, should we pull out of the present depression without any modifications in our methods of doing business. For the dynamic quality of modern life, if left unregulated, is likely to become more pronounced. New technical processes, geographical shifts in industry, changes in habits of consumption, in the relative economic power of nations, in the distribution of population, and in the character and growth of national and world markets, loom ahead as increasingly complex forces, less and

less likely to work out an automatic and stable equilibrium.

The evidences of this incapacity are already numerous enough. In the United States, the alleged remaining bulwark of laissez-faire, a Federal Farm Board is trying to control indirectly production and prices in agriculture, a Federal Stabilization Board is planning public works, the governor of a large state is forcing producers to shut down their privately owned wells in order to raise the price of oil, a Lumber Conservation Board is considering how to eliminate cut-throat competition among producers, while employers in the coal industry are asking the government to take a hand in their industry in order to regulate it out of its present chaos. One would have no difficulty in quoting similar illustrations from other countries. Similarly, the international measures referred to above are palliatives which may give temporary relief to the chief victim of the war, Germany, but which are not adequate to meet the big problems which we face in world affairs.

But even if we grant the partial validity of the measures described, they give us no answer to the long run problem which we face because they ignore the third element in the present situation. They ignore the great changes which have taken place in methods of production and distribution. They ignore the great international shifts in economic power, in the sources and direction of credit, and in trade relations which were beginning before 1914, which have become accentuated since 1919 by war and revolution, and which call for a new international economy. They ignore still further the revolt against traditional ideas and forms which is at the root of much of the social discontent whose shadow overcasts the political life of the world in the form of communism, fascism, kuo-min-tanism, and other port-war "isms".

It is because some of us are keenly aware of the three-fold character of the present crisis that we cannot rest content with palliative national and international measures. We feel that the world cannot afford to be passive towards economic facts and allow the future recurrence of business depressions. We feel that the world must take a decisive step beyond half-way international measures. And we are convinced that we cannot make

much headway by harking back to the economic and political ideas of the prewar world. For the world of 1914 is gone forever as the world of 1789 vanished one hundred and fifty years earlier, and no amount of compromise will give us back the beneficent competitive order, the progressive individualism, and the political liberalism of the XIX century. They were buried under the debris of the trenches and drowned in the blood of the millions who gave their lives in the lost causes of 1914, and if they will ever be reconstructed, it will be only in the imaginative perspective of the philosophical historian of the future.

We do not wish to join those who call for a complete break with the past and for a violent overthrow of all institutions. It is true that historically no great ideas and social forms made their way into life except in great spasms of violent emotions and struggles. But those of us who have seen revolutions at close range would like to avoid them as much as wars, and we have enough faith in human common sense to be willing to be patient and to try to build peacefully even if we should have to move more slowly.

It is in this spirit, I take it, that this Congress has met and is carrying on its deliberations. It is in this spirit that it has put on its agenda one central idea which holds out a promise of leading us out of the economic wilderness and of guiding us peacefully towards our human goals.

That idea is economic and social planning. The emergence of this idea is not accidental. It is the culmination of processes of thinking that go back to the very beginning of the modern industrial era and the logical outcome of economic developments which for several decades have been laying the foundations for new ways of doing things based on collective cooperation and social control.

But though not entirely new, the idea of economic planning in its present form, is different from the schemes of social control and socialization that preceded it. It stresses less the idea of ownership and more the objective coordination of natural resources with economic organization and activities. It is a realistic and practical principle of action which lends itself to gradual

fulfilment in combination with various institutional forms. Contrary to wide-spread belief, economic planning is not the exclusive invention of Soviet Russia, and it need not assume the form which it has taken there. As it has developed out of a variety of situations, it may be carried out in forms different from the particular Soviet type.

What is essential to economic planning, is its twofold promise to maintain a balance within each country between the growth of productive powers and the consumption needs of the people, and secondly to provide a basis for cooperative action which would make possible a peaceful exploitation of the world's resources in the common interests of all groups and nations.

This is a big promise, and the question is wherein lies the power of planning to carry it out. The answer to this question is given in the purposes and devices which are the essential features of any plan economy. The purpose is *the deliberate and conscious effort to satisfy the real needs of all the people compatible with the state of our industrial capacities*. And the basic device is to predetermine in advance the output necessary for such purpose and *to direct collectively the further growth of productive forces with regard to advancement in the standards of living of the people*. Obviously, under any such system of economy there must be some unifying center which can consciously shape the purposes of economic life and which can decide upon the best use of the separate plants and industries in the interests of the entire system. We have at the present time the example of the Soviet Union where such unified control and direction are carried out through a network of institutions based upon a political dictatorship and upon the collective ownership of the means of production. Without passing judgment upon that system, one may refuse to accept it as the only possible system for the present, and assert the possibility of unified direction without either a dictatorship and without abolishing completely and at once the rights and institutions of private property. We can visualize a *system of boards and agencies, partly governmental and partly voluntary, which would*

exercise planful control by setting up technical and social standards for all industries, by supervising the price process, and by determining the conditions under which credits would be granted to existing and new industrial enterprises. Such planful control would undoubtedly have to limit the powers of individuals and corporations, and subject the making of profits to social ends, but such control would not eliminate individual and group initiative on a private basis.

It is because we advocate this social progressive type of plan economy that we think we can obviate the main objections which have been advanced against economic planning, especially in the United States. These objections are three in number. The most common objection which we may consider first is that all plan economy involves compulsion which would destroy individual freedom and thus put a stop to progress. This argument is based on the assumption that all plan economy must be of the Soviet type and that all economic initiative must be a function of the opportunity to make unlimited profits. Both assumptions are unjustified. Already to-day we have industries in which the rate of return is regulated and which are progressing, and there is no reason to believe that a general limitation of returns in all industries would dry up the sources of human energy. Also, many basic economic processes to-day, such as the determination of wages, discount rates, saving, and a large part of the pricing of commodities and services, are carried on under conditions of collective bargaining and public control, and could be incorporated in a system of planful activity without much difficulty.

As to progress and freedom, we know that the basic condition of economic progress - namely the process of experimentation and invention - is carried on to-day largely under corporate control and in an organized manner, and that the application of new inventions is also controlled by existing corporations, often mainly with regard to their own corporate interests. Under a system of planful economy, there could be as much, if not more, incentive to experimental and inventive individuals through bonuses and social recognition, while the

use of new inventions would be subject to considerations of social policy.

The second argument against planning is that it is a device for "catching up" and not for "going ahead". It is quite allright, it is said, for the Soviet Union to plan in order to catch up with us in Western Europe and America, but we are too far advanced to use such a scheme for our purposes, which are those of further growth and expansion. This objection has an element of fact in it. It points out an important phase of the Soviet situation, namely that in view of the economic backwardness of the country, the problem of planning there is much simpler than it might otherwise be. The low level of the standard of living in the Soviet Union and the reaching out for higher standards creates an enormously potential market, and makes the problem of adjusting supply and demand comparatively easy. All the government has to do is to produce more and more: there is no fear of overproduction and there won't be for many years to come. Last, but not least, Soviet economy can draw on the western world for mechanical appliances and for new tools and processes, thus throwing the burden of technical progress on capitalistic countries.

But after all this is admitted, the argument of "going ahead" versus "catching up" has very little meaning. In the first place, the western world also has the problem of "catching up". We are too prone to exaggerate the progress of Europe and America and to forget that large areas there and millions of people are as yet very far from an adequate or decent condition of life. For these areas and for these millions of people the problem is that of catching up with the rest of the community. Secondly, "going ahead" means expanding old industries and developing new needs and industries, and that, as pointed out above, is becoming more and more hampered by the lack of purposeful economic planning.

The third objection to economic planning is that it is impossible for the different groups and classes in western countries to get together and to agree upon purposes and methods. Planning, it is claimed, therefore means handing over the economic life of a country to a political or industrial dictatorship and to a

class government either of capital or of labor. I am ready to admit the force of this argument. In all democratic countries, economic planning involves the balancing of opposing group and class interests. But I believe that such balancing would become possible after a while, given large and dynamic plans which would hold out the promise of activity and economic advance. Even to-day employers and workers get together through their respective organizations and work out in common counsel terms of employment and remuneration. There is every reason to believe that they could get together even more readily on large schemes of economic development and work out a national policy which promised a higher development for all. There is also here an immense opportunity for the technical and scientific groups to bring about agreement on the basis of what is technically and objectively best for the community as a whole. For one must face the situation and realize that the alternatives are becoming more and more either willingness to accept the dictates of a rational concept of national and social welfare, or social revolution.

We have discussed so far the problem of economic planning on a national basis. It is possible to conceive systems of plan-economy established within national limits in separate countries on a more or less self-sufficient basis. In a measure, the Soviet plan economy is organized on that basis, and there are many advocates of such a closed economic system in the United States.

To some extent, the idea of more or less self-supporting national plan economies is in harmony with some major trends of economic development. For as more and more countries become industrialized, the international division of labor based on the distinction between industrial and non-industrial countries is undermined, and a tendency is set into motion towards a new division of labor based on the needs and capacities of regional and home markets.

It would be a mistake, however, to misinterpret this trend at present and to ignore the need and possibilities of planning and

co-ordination on a world scale. No matter how much national economies may be reorganized and redirected in the near future, the system of world economy which has grown up in the last hundred years or so will continue to grow, though changing in many ways. For the immediate future one may put the case even more strongly, and say that for most countries any attempt to set up a balanced national economy would be futile unless the necessary international financial and commercial readjustments are made first.

In current discussion, three general policies for international economic development are given pre-eminence. One is the need for the removal, if not the total abolition, of tariff barriers, especially of those which have been built up in the aggressive spirit of post-war nationalism. The other is the need of banking cooperation to help maintain currencies on a gold standard and to stimulate the flow of long-term credits at easier rates of interest from capital rich to capital poorer countries. The third idea is that of action for restoring and stabilizing the international price level. These economic proposals are combined with various political schemes such as the United States of Europe, enlarging the scope of the League of Nations, and so forth.

These proposals represent suggestions in the direction of international planning, and undoubtedly would have considerable effect, if carried out in the proper spirit of cooperation. More than that, as these proposals are put into effect, they will call more and more for definite planning. For these proposals, especially those of a financial character, are a departure from the old methods of international lending and borrowing. Not only do they involve new international bodies acting in a new capacity and under new legal arrangements, but they also involve a new function on the part of these bodies for so directing their funds as to produce the best economic results not only in the borrowing countries but in the world as a whole.

In view of the present international situation, these partial proposals and suggestions would seem to offer a big enough program, and nothing more might be asked for. But the logic of

economic events waits on no one and has no respect for the fears or prejudices of anybody. Once an initial step has been taken, a process is started which will run its course, upsetting all cautious calculations of care-worn Cunctators. There is therefore real need for some of us to use imagination even at the risk of being written down as visionaries, and to try to map larger programs in anticipation of events before the latter overtake us and leave us floundering.

It is in this tentative and experimental spirit that I venture to suggest what might be called a Five Year World Plan. In formulating this plan, I proceed on the basis of ideas which are already pushing their way through the maze of current discussion and proposals. I may formulate these ideas in a series of propositions so that we may have them clearly before us.

The first proposition is that the growing economic unity of the world calls for a new sense of world solidarity based upon equal opportunity for all nations, and makes every attempt to perpetuate the division of the nations of the world into victors and vanquished, exploiters and exploited, a crime against human welfare.

The second proposition is that as national political sovereignty must be and is being modified to allow for the growth of international action through the League of Nations, so also must national economic policy be shaped and directed with a view to its effects on world economy.

The third proposition is that the destruction wrought by the World War is a loss which no country alone can be expected to repair without danger to the peace of the world, and it must be borne by the whole world.

The fourth proposition is that the debtor-creditor relations of the world have become hopelessly aggravated as a result of reparations, unbalanced production, decline in prices, and of banking policies of some of the leading countries in such a way as to call for strong measures of immediate relief and for long range action on a large scale.

And the fifth proposition is that further economic advance must be based on hard work, collective efficiency and public thrift, and also on the maintenance of present standards of living in the advanced countries as much as possible and on a levelling up of standards and an increase of mass purchasing power in the less developed but potentially promising countries of the world.

A World Prosperity Plan for the next five years based on these principles cannot but call first of all for a general five year moratorium on all war debts and reparation payments. This is a necessary first step to give the world a real breathing spell from its most aggravating and dangerous post-war problems. Such a moratorium would leave open the question of the final settlement of debts and reparations, but the presumption would be in favor of further extending it and of final cancellation, if the effects of such moratorium proved as beneficient as is expected.

Secondly, this Five Year Plan would call for a series of international loans carried out through the international cooperation of the chief lending countries and devised in such a way as to promote productive resources in the most promising areas of the world and to stimulate and increase world purchasing power. It might perhaps be done through a World Industrial Bank organized for the purpose similar to the International Mortgage Bank and other recently devised institutions. This series of loans should also offer an opportunity to affect and modify commercial policies through agreements by which credit would be extended on condition that a tariff truce be observed or that tariff schedules shown to be specially detrimental to trade be modified.

Thirdly the Plan calls for a series of international agreements for the division and control of the world market by producers of raw commodities and of some manufactured goods. I am fully aware that after the recent London wheat conference such a proposal must sound wholly futile and useless. But I do not think that one failure in such new and large undertakings should be regarded as fatal.

The chances of success cannot but grow greater as the demoralized price condition in the world market becomes more menacing and as the need for combining such international export agreements with financial agreements for industrial purposes is more clearly realized. There is need here for patient negotiations and for economic statesmanship of the highest order.

And finally, in order to help in working out these large plans and to give them coordination, it is suggested that a World Planning Board be established either as a part of the machinery of the League of Nations or as an independent body of experts to study world resources and the opportunities of their exploitation in the interests of general world expansion. Such a board might work in conjunction with a representative body from the Bank of International Settlements and similar institutions which are likely to develop in the near future.

Five years seem like a small span in time. But what can be done in five years with proper application of energy is shown by the history of all industrial countries. If the world will muster faith and energy for the task, the possibilities of achievement would be immense. Tens of millions of people throughout the world are in need of food, of shelter, of sanitary plumbing, of good roads, of better means of communication and transportation, not to speak of schools and recreation. To satisfy even the most elementary needs in all these respects would engage the productive energies of all the advanced industrial countries and demand the development of large new resources everywhere. It is a picture of expansion which should stir the imagination of everyone with the red blood of enterprise in his veins.

It would be absurd to deny the many complex problems, both political and economic, which stand in the way of such a Five Year Plan. Every step in the direction of such planful activity would be obstructed by existing political conditions, by vested interests, and established methods of doing business within each country, and by the present interrelations of different national economies. The psychological outlook in most countries - the

desire for political and economic hegemony, the rightful or imaginary fears of insecurity for oneself and hopes for dominating others, the inherited hatreds, the newly acquired ambitions, and the whole tangle of emotions, prejudices, and irritations left to us by the dead and deadening past - all stand in the way of rational living and of the rational planning for life.

But let us not accede to the pessimistic conclusion that we can not free ourselves from this dead hand of the past and that we must go through more world tragedies before we can see the light. Let us do everything in our power to help along those forces which are already making for world unity and cooperation. While we must wait on those who are the official representatives of the people to take action, we can do our mite in influencing the course of events by pushing the ideas which we believe hold out promise for the future. Let those who can now rise to a world point of view hold together and pave the way for official action in the future. Let this Congress take the initiative in setting up in a private way an institution - shall we call it a World Research Council or a World Planning League - which will stimulate creative thinking and imaginative action everywhere in the interests of a planful and rational organization of world life.

DISCUSSION BY PROFESSOR J. B. TAYLER, M.SC. Professor of Economics, Yenching University, Peiping, China.

In opening the discussion on the subject which Dr. Lorwin has introduced in such an excellent and balanced manner, I am not proposing to discuss details of the problem put forward, but to supplement the brief printed summary [1] on the principle of the people's livelihood. In doing so, I wish to represent to some extent that half of the world which is so little represented at this particular Congress. We are a world Congress, but, with three exceptions, we are all representatives of the Western world - and of the three representatives of Asia, two are actually Westerners!

We have to realize that the problem has two sides, that of the countries which are not yet industrialized, and that of the industrialized countries.

From the technical side, the problem is simplified for the former, since the countries not yet industrialized have not to correct their mistakes; they are not yet facing the difficulties which we are experiencing so acutely in the West. But their problem of development emphasizes the social side of industrial relationships, and I should like to try and make clear the social aspect of those questions which arise in countries that are looking towards industrialization, but have not yet gone very far on that path.

I would like to draw attention, in the first place, to the closing pages of the paper [2] written by my friend, Prof. L. K. Tao, and his associate Mr. S. H. Lin, in respect to the way in which the Chinese regard their own relationship to this international problem. Unfortunately, in China, the economic questions are very much tied up with political issues, but I think that the Chinese would ask us, - much more than for our capital or even our machinery, - they would ask us for the social engineers to enable them to apply our Western technique, our Scientific Management, in ways that will fit our more productive methods into their social life with the least violence or break between the old and the new, with the least disturbance to their social institutions.

[1] See Addendum in this Volume, page ..

[2] See Volume on "International Unemployment", page 71.

The thing they fear is what may be termed "exploitation", and I think that the aspect of international economic life which has the most importance for them is neither that of capital nor of tariff but of responsibility for natural resources and their development, particularly as, in China, so many of the resources in iron and (to some extent) in coal have passed into the ownership of other nationals.

In making its approach to this question of economic development, China starts very much as this Congress does - with the conception of the people's livelihood, which is one of the three principles bequeathed by the founder of the Republic, Doctor Sun Yat Sen.

Dr. Sun was profoundly impressed with what he considered to be the fact that with the increase of productivity in the Western World there had not been, for the common people, a corresponding increase in the standard of living. He was very much concerned to insure that in China, the introduction of more productive methods should have, as its object, the raising of standards for the people generally. In considering this raising of standards, we need to consider the case of the small peasant and of the working man.

Now I am not going to discuss China's problems in detail, but I do wish to illustrate, if I can, the way in which the whole problem of planning appears from the point of view of such a country.

We are not able to deal with the situation on a statistical basis - statistics as a science is almost unknown in China, and, if we are going to understand the situation, it will have to be rather along the lines of case studies.

I would like to try and illustrate the matter from that point of view by taking the problem, not of the larger industrial undertakings that will be required in the country, but by asking you to consider how it is possible to take one of the traditional industries of the country and to reorganize it with the fullest use of modern technique and modern organization.

Let us, to be concrete, take the example of pottery, which of course is one of China's most famous and best developed industries. The situation is this: in different localities where raw

materials occur, you have got hundreds of small potteries - very often with one kiln each - the kiln itself being fairly large, burning tens of thousands of pots at one firing. As I say, hundreds of them are localised near the raw materials and they employ a small number of men - say fifteen or twenty each.

There are two ways of dealing with an industry of that kind: we may either wipe out of existence these small potteries and replace them with large factories, or try and bring to the help of these present potters the resources of science. Although their technique is very highly developed it is entirely empirical: they have no science: - they do not know how to analyse materials, nor how to blend them; they have no knowledge of modern designs or modern methods. It has been shown however, that it is possible to effect very great improvements in local potteries by introducing modern methods to the present potters.

To secure the development of the industry, with rising standards for those engaged in it, modern forms of organisation are also needed. They need credit through cooperative institutions, if advantage is to be taken of scientific service, and arrangements for marketing, including the reaching of new markets which are being created by industrial developments in the country.

The type of organisation which is involved in carrying out a reconstruction of industry on these lines is one that has already been worked out, in the field of agriculture, which is par excellence the small scale industry. We have developed in Europe cooperative credit for the farmer, cooperative marketing societies and associations of different kinds for assisting farmers in the matter of supplies, etc. Is it possible to adapt such organisations to the needs of industries where the unit of production is not necessarily of itself a large unit?

By making research and scientific guidance a professional service to the whole industry, and by grouping together, or federating, these small producers, they can secure all the advantages of concentration, whilst still preserving a measure of decentralisation i.e. without introducing the large scale productive unit.

It can be claimed for a procedure of that kind that it fits very

much more readily into Chinese social life because the pottery industry, for example, has been developed on a family and guild basis and the type of association suggested is one already familiar to the people. It preserves a certain amount of independence and responsibility for the producer and at the same time makes him a part of a larger and social economic whole. It distributes capital - capital equipment can be improved step by step as skill, capital resources and faculty for cooperation are developed - and thus it will be possible to put the capital in the hands of the people already engaged in industry. Therefore I think that in different ways it is possible, on the lines I have indicated, to secure an alternative method of development, to that of sweeping away these small units and immediately replacing them by large factories.

Now can we regard this as an application of scientific management? It has been said here, in this Congress, that as soon as you pass away from the individual enterprise and are dealing with industries as a whole you get out of the range of factors which can be controlled by the management of the enterprise and therefore cannot apply the methods of scientific management. I would suggest that cooperative organisation within an industry, of the kind mentioned, is an application of the principle of scientific management.

It coordinates industry in a way that makes rationalisation applicable to the whole industry. I would like to go one step further in this connection and ask whether it is not possible to use a case of this kind as a field for experiment, because, if we are going to have social economic planning, we must have a good deal of experimentation - and experimentation along these lines in some countries where industrialisation is only in the very early stages, would be something greatly worth while. It would call for the cooperation, not only of those who have technical experience in the industry, but also of students of social institutions who would be able to see how, in a particular social situation, it is best to apply modern technique with the express purpose of raising the standards of living of those concerned in that particular industry.

Would it be possible for us, taking into consideration the dense

rural population of a country like China, the peculiar institutions of the country and the actual conditions of special industries, to try out the really important question of a method which is both scientific and social in bringing about an improved standard of living in that field?

Permit me to call your attention to one or two things which have been said in this discussion. I think that we need, in considering the problem of planning from a world standpoint, to devote very careful attention to the definition of ends. We are bringing together two things which have hitherto been rather separate - the technical and the social questions - the practical and the ideal, both of which are essential elements of any social planning.

Now, if you are not going to bring about social progress by methods of dictatorship, you have got to bring it about on the basis of accepted purposes and ends. It seems to me one of the tasks that lie before students of social science - a task that is of international interest - is to try and arrive at a clearer definition of such ends, in order that it may be possible to enlarge the scope of our social planning, and to follow, analytically as well as statistically, the effect of different kinds of planning.

In regard to the relationship between productivity on the one hand and livelihood on the other, in a society consisting of people at different economic levels, it is entirely possible to improve the productive methods without advancing the standards of living of the poorer people.

It is possible to organise society on a basis on which the advantages are reaped by the wealthier classes of society. I would therefore suggest that we need also to analyse a little more accurately and fully the influences of the different factors involved in applying improved means of productivity, in order to carry out our intention of raising the standards of living, particularly of the common people.

DISCUSSION BY GERALD BARRY, Editor Week-end Review, London.

Although it may seem at first sight a reactionary step from

international to national aspects of planning, perhaps a useful way of furthering Dr. Lorwin's most stimulating address will be to indicate how far the planning idea has progressed in Great Britain at the present time, as a preliminary to discussing the idea of world planning and the ways and means by which the idea can be made to capture world opinion and become translated into practice. We must learn to what extent, if at all, it has permeated the thought and action of individual countries already. I have only time in the period at my disposal to deal with the subject in the barest outline and without attempting to cover the whole ground. In assembling the data I am much indebted to the help given me by my colleague Mr. E. M. Nicholson.

It must be admitted that in Great Britain to-day, planning as an idea c o n s c i o u s l y animating the directive will of statesmen, industrialists and national leaders in any sphere, simply does not exist. The conception of planning in individual minds is not a novelty; it has been thought about, talked about and written about for a long time and has indeed now become so favorite a topic of conversation that it is already in some danger of becoming a "blessed word" and of being thereby brought into contempt before it has had a chance. Moreover, a certain amount of what almost amounts to planning, forms the basis of a number of isolated economic experiments, initiated before planning p e r s e was heard of. These things were, so to speak, by accident. Not only does there not exist in Great Britain to-day any s a n c t i o n for planning, any coordination of individual attempts towards it, or any official recognition even of the need of it, but also there is no psychological understanding among the bulk of the people of the necessity of an attempt at a planned economy to rescue the nation, let alone the world, from its present economic chaos.

Let me take the various national activities consecutively. First of all comes F i n a n c e. The grouping of the Banks into five large combines; the creation of the agricultural Mortgage Bank; the setting up in 1930 by the Bank of England of the Securities Management Trust to aid in controlling the financing of industry; and the existence of the United Dominions Trust (supported

by the Bank of England) to facilitate consumer-credit constitute small and unrelated gropings towards the planning idea. The realization which a long-continued period of bad trade brought of the need for a more centralized effort to improve things, led to the setting up in 1929, by the Government of the day, of the Economic Advisory Council. It is interesting to note how this body was spoken of, at the time, as an "Economic General Staff". In thus employing the language of war, and the war-idea of "Unity of Command", the nation was subconsciously admitting the existence of a national emergency and of the need of a plan to meet it. This is probably the nearest Great Britain has yet approached to an understanding of the planning idea. It is not very near, and the Economic Advisory Council is a halfhearted and impotent body which, apart from its Secretariat, consists of already-overworked politicians, industrialists and financiers who could not possibly take on the task of national reorganisation as a hobby for spare time which they have not got, even if they possessed - which they do not - the power, ability or common agreement over aims to do so.

The need for a more corporate effort to extricate industry and commerce from their disasters than was provided by the old methods of individual enterprise, or lack of enterprise, has led to other innovations. It has led, for example, to the despatch to various parts of the world where prospective customers for British goods exist, of officially recognized Trade missions - such as the D'Abernon Mission to the Argentine and the Cotton Mission to the Far East. These were conscious attempts to guarantee markets for British goods on a reciprocal basis: and incidentally they are interesting as tending to further the idea - so suggestively advocated by Dr. Neurath - that nations should continue to exchange the commodities they are best suited to produce, instead of striving to become entirely self-supporting. The same end is probably being served, without that in the least being its intention, by the activities of the Empire Marketing Board, which was set up some years ago with the idea of fostering trade between the various units of the British Empire. The Empire Marketing Board is in itself an experiment in the direction of planning, to which I hope to refer again in a moment.

I pass next to Industry; but here, so far as planning is concerned, there is virtually nothing to record. Certain steps in rationalization have been taken, and others are in process or in contemplation. In chemicals, there is Imperial Chemical Industries - practically a monopoly; in margerine and groceries, Unilever; in rubber, Dunlop; in tobacco, the Imperial Tobacco Company; and in various other industries effective combinations have been attained. In basic industries such as steel, coal, and textiles (cotton) agreed schemes of rationalisation are in various stages of completion. In shipbuilding a somewhat similar process is at work. For the rest, little or no attempt is being made at coordination.

In Agriculture there is the Agricultural Mortgage Bank to which I have already referred. It requires very considerable expansion to be of full service to agriculture. There are the Cooperative Societies, some of which are functioning successfully, and some not. There is also the National Mark System, perhaps the most hopeful development in agriculture to date. This is a planned attempt, under the auspicies of the Empire Marketing Board, to guarantee to the consumer the grading and quality of agricultural goods. It is proving successful, and is an encouraging attempt to deal with one aspect of the problem of distribution - which is the chief problem awaiting solution before a successfully planned economy can be achieved. Proposals for State experiments in large-scale mechanised farming were put before Parliament in a recent Bill, but were defeated. Though there are these and other signs of some awakening, chaotic and wasteful individualism remain the chief characteristic of British agriculture at the present time.

Then come Power, etc. Coal I have already mentioned. It is now being rationalized under the Coal Mines Reorganization Commission. Gas supply is uncoordinated, though recently centralized in policy. The importation and refining of Oil is under the control of well organized companies acting as a combine (Anglo-Persian, Royal Dutch, Shell and Standard Oil); but retail distribution remains lamentably unplanned. Water supply rests in the hands of local authorities, of which the chief is the London Metropolitan Water Board. I have left till the last

Electricity, because this affords what is probably the most complete and efficient example of planning yet in existence in Great Britain. The supply of electricity was centralized in 1926, on what is known as the Grid System, under the Central Electricity Board, and is now engaged in sweeping away innumerable small-scale units with hopeless divergencies of supply and voltage. The Central Electricity Board is a Public Utility body, and seems likely to serve as a model for future large scale coordinations of supply services.

Research, one of the most vital essentials of a planned economy, still remains the Cinderella of British industrial and commercial enterprise, national or private. Apart from the research being carried out by the more progressive individual firms, the most important research bodies are those operating under the Empire Marketing Board (which spent in 1929-'30 £ 462.000.- on research), the Department of Industrial and Scientific Research. and the Royal Society, acting through the Government Grants Committee. It will be readily seen that in aggregate these efforts fulfil a quite inadequate function; and they are not co-ordinated.

Russia has taught us that Publicity must play an important part in "putting over" planning. Great Britain has one successful example of properly planned publicity in the British Broadcasting Corporation, which is widely accepted as being successful both in conception and in operation. Apart from this, publicity remains quite unplanned, with the possible exception of a small amount of constructive group advertising of commodities - again, under the Empire Marketing Board. Films and the theatre are quite uncontrolled, while the irresponsible uses to which the Newspaper Press in nowadays put by individual proprietorship in the absence of planned control is beginning to constitute a minor national danger.

Distribution is the crux of our present economic discontents. There exists no planned attempt to cope with it in Great Britain. I have already mentioned the partial efforts of the Empire Marketing Board by means of the National Mark system. There are, in addition, various other unrelated schemes and bodies, chief among them being the Cooperative

Societies, which control an immense vertical combination from the raw material to the retail shop. With these must be mentioned again Unilever, and other multiple stores which are carrying out interesting experiments in mass distribution. For the rest, unrestricted competition holds the field.

As regards Communication, in 1921 the many independent railway companies in Great Britain were amalgamated into four competing groups. At the time this was criticised as a dangerous elimination of competition; but already - ten years later - it is coming to be recognized that complete unification into a single unit is essential to efficiency. The Weir Report has recommended main-line electrification, and, if this is carried out, unification of the railway system with public control, probably on the lines of the Central Electricity Board, will be inescapable. Road transport, from being in haphasard competition with itself and the railways, has recently come under control of regional Commissioners (Road Traffic Act, 1930). A basis for reorganisation under a National Transport Board is now being found, and there seems some ground for hoping that the requirements of traffic and transport will shortly force upon the authorities a complete combination of all the various transport systems, or at all events of roads and railways. London, under the London Passenger Transport Bill, is about to boast a complete centralised transport system on the model of the Central Electricity Board.

This is as much of a survey by function as I am able to attempt in the time at my disposal. I fear it is both incomplete and superficial. There remain four other important national functions which I have not even attempted to touch: Town-planning, Education, Health and Forestry. These do not offer conspicuous examples of effort in the direction of planning, and are in more advanced stages of controlled development in some other countries, notably Germany. Enough has, I hope, been said to show how much, or rather how little, has so far been attempted towards a consciously planned economy in Great Britain. In so far as the nation has achieved anything in this direction, it has done so almost in spite of itself. As I have tried to show, the planning idea exists, and has been put into

partial application, in varying degrees, in a number of spasmodic and unrelated instances, but has at present no centralized recognition and certainly no centralized direction or control. But it would not be fair to complete this brief summary without recording that there is now in existence a very considerable and growing body of intelligent and expert thought, at work upon investigating the various theories of economic planning and the problems connected with their practical application, both nationally and internationally. A fillip was given to thought and discussion of the subject by the publication last February, by the W e e k-e n d R e v i e w, of a draft National Plan for Great Britain. There is some hope that out of these new and conscious efforts, and out of the uncomprehending results which have somehow already been achieved, there may emerge one day, in the not too distant future, an effectively planned economy for Great Britain as her contribution to a planned economy for the world.

DISKUSSION VON DR. F. MEYER ZU SCHWABEDISSEN, Teilhaber der Firma Bertelsmann & Niemann, Bielefeld, Deutschland.

Das Wort des Paulus von der Liebe, mit dem mein Freund von Haan gestern seine Rede schloss, erinnert mich an Sätze eines Briefes Lenins an Gorki, deren zusammengefasster Sinn etwa folgendermassen lautet: „Wenn ich die Appassionata höre, möchte ich Köpfe streicheln. Heute aber ist es nicht die Zeit, den Menschen die Köpfe zu streicheln, heute fallen die Hände nieder, um die Schädel zu spalten. Die Not stellt das Problem der Planwirtschaft. Die Liebe wird es lösen, wenn wir Liebe verstehen als Gehorsam gegen die Notwendigkeit."

Das Problem der Planwirtschaft ist für Deutschland mehr als für alle anderen Länder ein Rätsel der Sphinx. Finden wir nicht die rechte Antwort, so stürzen wir in den Abgrund. Das Problem planmässiger Wirtschaft entwickelt sich zwangsläufig aus dem sterbenden „laissez faire". Das „laissez faire" stirbt an der Politik. Als ein unbewusstes Werkzeug der Vorsehung zerstört die Politik die gegenwärtige Wirtschaftsordnung, um der kommenden Ordnung den Weg zu bahnen.

Die alte Ordnung ruht auf dem freien Zusammenspiel inein-

andergreifender und einander bedingender Märkte. Die grundlegenden Märkte auf der Geldseite sind: der Geldschöpfungsmarkt mit dem Regulator „Wechseldiskont", der Kapitalmarkt mit dem Regulator „Zinsfuss" und der Devisenmarkt mit dem Regulator „Wechselkurs". Auf der Güterseite haben wir den Warenmarkt mit dem Regulator „Preis" und den Arbeitsmarkt mit dem Regulator „Lohn".

Die Freiheit sämtlicher Märkte ist durch staatliche und private Politik mehr und mehr unterbunden worden. Dies gilt besonders für Deutschland. Auf der Güterseite wurde der Preis, der sich im freien Spiel der Kräfte ergeben hätte, durch staatliche Zollpolitik und private Kartellpolitik verändert. Das Gleiche gilt für den Lohn durch die Kartelle der Gewerkschaften und die Sozialpolitik des Staates. Die schlimmsten Marktstörungen durch Politik aber erlitt die deutsche Volkswirtschaft auf den Geldmärkten, und für diese Störungen ist die Aussenpolitik der Siegerstaaten nach dem Weltkrieg verantwortlich. Die verantwortlichen Staatsmänner haben nicht in Gütern, wie Dr. Neurath gestern, sondern in Geld gedacht, als sie Deutschlands Zahlungen bestimmten. Deutschland konnte in Geld nur insoweit zahlen, als Zahlungen in Gütern möglich waren. Internationaler Geldstrom und internationaler Güterstrom können durch Politik nicht auseinandergerissen werden. Diese von der Aussenpolitik ausgehenden Störungen, deren volkswirtschaftliche Auswirkungen gestern Professor Wilbrandt beleuchtete, stellen Deutschland in erster Linie vor das Problem der Planwirtschaft.

Die bisherigen Zahlungsmethoden des „laissez faire" waren Währungsverschlechterung, Auslandsanleihen und Massenarbeitslosigkeit.

Eine erneute Währungsverschlechterung ist heute aus politisch-psychologischen Gründen unmöglich.

Ueber die Gefährlichkeit von Auslandsanleihen und über die Schwierigkeiten, heute weitere Anleihen zu bekommen, sind theoretische Erörterungen nunmehr überflüssig geworden, nachdem die Geschichte der letzten Monate in Tatsachen gesprochen hat.

Wir stehen heute mitten in der Zahlungsmethode „Massenarbeitslosigkeit". Infolge der Entbehrungen der Arbeitslosenmil-

lionen, welche die Einfuhr herabdrücken, haben wir seit Einsetzen dieser Massenarbeitslosigkeit eine aktive Handelsbilanz von 2-3 Milliarden, welche Zahlungen in dieser Höhe ermöglicht.

Eine neue Konjunktur ist unmöglich, so lange der gestern von Professor Wilbrandt eingehend geschilderte Deflationszwang bestehen bleibt, welcher trotz der schweren Krise heute einen Diskontsatz von 10 % erfordert. Das Hoover'sche Feierjahr konnte noch keine Milderung des Deflationszwanges bringen, weil dieser durch gleichzeitige Kündigung der Auslandsanleihen verschärft wurde. Der Deflationszwang wurde zwar gemildert, kann aber auch dann nicht beseitigt werden, wenn die Zahlung der Reparationen nach Ablauf des Feierjahres nicht wieder aufgenommen würde, weil wir die privaten Auslandsschulden verzinsen und zurückzahlen müssen, welche unserer Volkswirtschaft die bisherigen Reparationszahlungen ermöglichten.

Wir würden theoretisch die Fessel des Deflationszwanges und damit die Massenarbeitslosigkeit wenigstens teilweise beseitigen können, wenn wir das freie Spiel der Kräfte auf dem Arbeitsmarkte wieder herstellen würden. Dies würde aber bedeuten, dass der Preis des Arbeitslohnes und damit der Lebensstandard des deutschen Volkes bis zur Unerträglichkeit herabgedrückt würde, wodurch zwangsläufig auch die Lebenshaltung der übrigen grossen Industrievölker beeinträchtigt würde. Owen D. Young hat in seiner California-Adresse mit Recht ausgeführt, dass kein Volk auf die Dauer einen höheren Lebensstandard als die übrigen Völker sich sichern könnte. Wir verstehen daher das im Dawesplan ausdrücklich anerkannte Prinzip, dass die Reparationen nicht auf Kosten der Lebenshaltung des deutschen Volkes bezahlt werden dürfen. Wenn Deutschland die Fessel des Deflationszwanges abstreifen und damit die bittere Alternative Massenarbeitslosigkeit oder Volksverelendung vermeiden will, so bleibt planmässige Wirtschaftspolitik als einziger Ausweg.

Der Gedanke, dass Deutschland nur durch Planwirtschaft den Kriegsfolgen gewachsen sein würde, gewann zunächst in den Vorschlägen Gestalt, die gleich nach dem Kriege der damalige Reichsminister Wissell im Verein mit seinem Staatssekretär Möllendorff machte. Ich bedaure sehr, dass Herr Minister Wissell durch Krankheit verhindert ist, an meiner Stelle über seine

Ideen und die Gründe zu sprechen, die ihrer Verwirklichung im Wege standen. Der psychologische Grund lag wohl darin, dass die Fehler der gerade überstandenen Kriegswirtschaft eine allgemeine Abneigung gegen Staatseingriffe in die Wirtschaft hervorgerufen hatten. Die heutigen Ueberbleibsel der Wissel'schen Ideen sind einige planwirtschaftliche Organe, welche aber in dem jetzigen gemischten System nicht zu fruchtbarer Tätigkeit gelangen können. Es handelt sich hier um den bereits von Dr. Lorwin erwähnten Reichswirtschaftsrat, sowie auch um den Reichskohlen- und Reichskalirat. Diese Organe waren praktisch schon infolge ihrer Zusammensetzung im wesentlichen Kampfplätze der verschiedenen wirtschaftlichen Interessen. Der vorgesehene Unterbau zum Reichswirtschaftsrat, die Landes- und Bezirks-Wirtschaftsräte, wurde nicht geschaffen. Der Gedanke der Wissell'schen Planwirtschaft, den Unternehmer als solchen zu erhalten, ihn aber unter gemeinwirtschaftliche Kontrolle zu stellen, war an sich richtig. Die Kontrollorgane können aber jetzt in Deutschland nicht nach dem Prinzip der Selbstverwaltung geschaffen werden, weil das volkswirtschaftliche Interesse heute in Deutschland den privatwirtschaftlichen Interessen zu häufig widerstreitet. Ferner kann sachlich in Deutschland eine Kontrolle erst dann ausgeübt werden, wenn die Leitidee feststeht, nach der kontrolliert werden soll. Diese Leitidee ergibt sich aus der konkreten volkswirtschaftlichen Situation.

Die Leitidee planmässiger Wirtschaftspolitik in Deutschland ist heute noch nicht die allgemeine Leitidee wirtschaftlicher Planung, wie sie von Dr. Lorwin formuliert wurde, nämlich Produktion und Distribution in Einklang zu bringen. Zwar kann auch in Deutschland der ganze Produktionsapparat deshalb nicht in Bewegung gesetzt werden, weil der Distributionsapparat in Unordnung ist. Aber das Verhängnis der deutschen Situation liegt gerade darin, dass der Distributionsapparat durch Deflationspolitik, also künstlich, in Unordnung gebracht werden muss, damit die Gefahr der Währungsverschlechterung vermieden wird. Die Leitidee deutscher Planwirtschaft muss also zunächst darauf beschränkt werden, dass die vom Devisenmarkt ausgehende Ursache der absichtlichen Störung des Distributions-

apparates beseitigt wird. Ordnung des Distributionsapparates verlangt planmässige Neugeldschöpfung. Der hohe Diskontsatz in der jetzigen Krise zeigt aber, dass Neugeldschöpfung in Deutschland nur möglich ist, wenn das Gleichgewicht auf dem Devisenmarkte durch Neugeldschöpfung nicht erschüttert wird. Dieses Gleichgewicht wird nur dann nicht erschüttert, wenn durch planmässige Wirtschaftspolitik dafür gesorgt wird, dass das Angebot auf dem Devisenmarkte stärker und die Nachfrage geringer wird. Dies kann nur dadurch geschehen, dass wir durch planmässige Wirtschaftspolitik die Einfuhr zu drosseln und die Ausfuhr zu steigern suchen. Wir müssen entbehrliche fremde Ware, soweit sie im Inlande erzeugt werden kann, vom heimischen Markte fernhalten und gleichzeitig durch einen Wirtschaftsplan die heimische Produktion befähigen, für den heimischen Bedarf so viel, so gut und so billig wie möglich zu produzieren. Um das Schiff unserer Volkswirtschaft zwischen Währungsverschlechterung und Massenarbeitslosigkeit hindurchzusteuern, muss die Vernunft das Steuer ergreifen.

Die notwendige Aufgabe, die Handelsbilanz den internationalen Zahlungsverpflichtungen anzupassen, bedingt in erster Linie eine planmässige Senkung der Einfuhr, welche nicht, wie jetzt, durch eigene Produktion zu erfolgen hätte. Senkung der Einfuhr ist wegen der weltwirtschaftlichen Widerstände leichter als Steigerung der Ausfuhr. Senkung der Einfuhr verlangt insbesondere eine Reagrarisierung, welche nur auf Grund eines umfassenden Agrarplanes möglich ist. Wir beziehen heute vom Auslande für 2-3 Milliarden Mark landwirtschaftliche Erzeugnisse, welche bei planmässiger Agrarwirtschaft im Inlande hergestellt werden könnten.

Deutschland ist also durch eine sich aus seiner volkswirtschaftlichen Lage ergebende Notwendigkeit gezwungen, einen Weg der nationalen Planwirtschaft zu gehen, welche eine gewisse Abwendung von der Weltwirtschaft bedeutet.

Der Weg der nationalen Selbsthilfe ist nicht leicht für Deutschland und nicht leicht für die Welt. Deutschland kann sich nicht aus der Weltwirtschaft völlig lösen, weil es einen grossen Teil unentbehrlicher Einfuhr nicht selbst erzeugen kann. Wir brauchen die Weltwirtschaft für die zur Zahlung dieser Einfuhr und

zur Schuldenzahlung notwendige Ausfuhr, und wir brauchen zu diesem Zwecke eine Ausfuhr, welche um einige Milliarden höher sein muss als die Einfuhr. Wir werden dieses Ziel nur erreichen können, wenn überall in der Welt das Verständnis für Deutschlands schwierige Lage geweckt wird. Die Welt muss einsehen, dass Deutschland zur Selbsthilfe durch Planwirtschaft gezwungen ist und dass ohne eine solche Planwirtschaft Deutschland Gefahr laufen würde, im Chaos zu versinken, womit der Welt und ihrer Wirtschaft am wenigsten gedient wäre. Nationale Planwirtschaft kann aber immer nur ein Notbehelf sein. Der mit ihr zwangsläufig verbundene Rückschritt in der Weltwirtschaftlichen Verflechtung und Arbeitsteilung ist nur zu verantworten, wenn volkswirtschaftliche Planung eine Vorstufe zur kommenden Planung der Weltwirtschaft sein wird.

Der Arbeit an diesem Menschheitsziele dient unser Kongress.

Zum Zeichen dafür, dass wir hiermit keiner Utopie dienen, sondern helfen, einer notwendigen Entwicklung den Weg zu bahnen, möchte ich das Wort eines des grössten deutschen Denkers, Friedrich Nietzsche, wiederholen, das ich bereits vor zwei Jahren auf einer I. R. I.-Konferenz zitiert habe und das wir gestern in französischer Sprache hörten:

„Es naht sich unabweislich, zögernd, furchtbar wie das Schicksal, die grosse Aufgabe und Frage: Wie soll die Erde als Ganzes verwaltet werden?"

DISKUSSION VON DR. FRITZ POLLOCK, Institut für Sozialforschung an der Universität zu Frankfurt a.M.

Ich möchte der Versuchung widerstehen in den acht Minuten, die ich zur Verfügung habe, auf mehr als zwei Probleme hinzuweisen, obwohl mir nach dem in den russischen Referaten und in den Diskussionsbeiträgen Gesagten, eine solche Selbstbeschränkung sehr schwer fällt.

Es ist mehrmals von Diskussionsrednern erklärt worden, die Methoden der Planarbeit in der Soviet-Union ergäben sich von selbst aus den Aufgaben, die man sich dort gestellt hat; wenn

nur einmal die Aufgabe gestellt sei, die gesamte Wirtschaft planmässig zu leiten, dann sei alles, was von Herrn Ossinsky vorgetragen worden ist, eine Selbstverständlichkeit.

Ich glaube, die Methoden der Planarbeit sind durchaus keine Selbstverständlichkeit; es ist im Gegenteil ein sehr langer Weg von der Stellung der Aufgabe bis zu ihrer Lösung. Wenn ich ein Wort der Kritik über die Ausführungen des Herrn Ossinsky sagen darf, so ist es, dass er nicht eindringlich genug ausgeführt hat, welche fundamentale Rolle diese Pläne in dem Ablauf des russischen Wirtschaftsprozesses zu spielen berufen sind. Aber ich weiss, dass keine Möglichkeit bestand, in der vorgesehenen Zeit mehr als einen Einblick in das Gerüst des Planapparates zu geben. Es handelt sich bei der Planarbeit um die ungeheure Aufgabe, die Funktionen, die in der kapitalistischen Welt durch Angebot und Nachfrage, durch Unternehmer und Markt erfüllt werden, zu ersetzen durch eine neue Maschinerie, die man erst aufbauen muss. Das ist eine masslos schwere Aufgabe. Wie wird man z.B. die Probleme lösen, die Herr Professor Broda vorher angedeutet hat? Wie wird die Planwirtschaft damit fertig werden, wenn die Ernten anders als erwartet ausfallen, welchen Schutz gibt es dagegen, dass der Plan nicht durch eine Missernte über den Haufen geworfen wird? Und - selbstverständlich - wenn diese und viele andere Fragen nicht positiv beantwortet werden können, ist das Urteil über die Planwirtschaft gesprochen, denn es ist völlig sinnlos mit grossen Opfern ein System an Stelle eines andren zu setzen, ohne dass das neue System wirklich besser funktioniert.

Ich darf hier nicht über die Möglichkeit der Ersetzung einzelner Marktfunktionen durch die planwirtschaftlichen Einrichtungen sprechen, die Herr Ossinsky heute Nachmittag dargestellt hat. Aber ich möchte wenigstens darauf hinweisen, dass eine der wichtigsten Funktionen des Marktes, die Willensbildung, in welcher Richtung produziert und konsumiert werden soll, in der Soviet-Union bereits durch Methoden ersetzt wird, von denen ich glaube, dass sie der Marktlösung überlegen sind.

Es hat mich gewundert, dass in dieser Versammlung folgende Frage nicht schärfer aufgeworfen ist: Sind die Kosten dieses russischen Systems nicht zu gross, und zwar die Kosten durch

„Waste" aller Art, die in den Schwierigkeiten sichtbar werden, von denen Dr. Ludwig gesprochen hat; sind insbesondere die Kosten des riesigen zentralen Verwaltungsapparates nicht viel zu gross?

Bei der Beantwortung dieser Frage müsste man sich zunächst überlegen, wie gross eigentlich die Kosten unsres heutigen Marktapparates sind. Ich denke dabei nicht allein an Kapitalfehlleitungen, Aufblähung des Verteilungsapparates und andere „verschwenderische" Ausgaben, sondern mache folgende Rechnung: Wir haben im Jahresdurchschnitt 20 Millionen Arbeitslose in den Industrieländern. Rechnet man den Einkommensausfall für einen Arbeitslosen auf 2.000 Mark, so ergibt sich, dass in diesem Jahr mindestens 40 Milliarden Mark allein für Arbeitslosigkeit dem Marktsystem als „Waste" belastet werden müssen. Bei dieser Rechnung zeigt sich sofort, dass auch ein sehr kostspieliger Verwaltungsapparat nicht leicht zu teuer sein kann, wenn es ihm gelingt alle Arbeitsfähigen in den Wirtschaftsprozess einzugliedern.

Ich glaube, es kommt noch auf eine andre Seite des Problems an, die in einer ganz merkwürdigen Art von Herrn Prof. Wilken dargestellt worden ist.

Es ist nämlich so, dass im allgemeinen gerade von denjenigen, die nicht genug Worte finden können um nachzuweisen, dass der Mensch nicht vom Brot allein lebt, sondern Bedürfnisse nach Freiheit und wirklich echt menschlichen Gütern hat, immer wieder vor allem auf die ausserordentlich hohen materiellen Kosten des russischen Experiments hingewiesen wird. Dabei wird dann regelmässig übersehen, dass in Soviet-Russland im Bewusstsein eines grossen Teils der Arbeiter und wahrscheinlich auch der Bauern bestimmte seelische Aktiva geschaffen werden, die man in einem Lande wie Deutschland vergeblich suchen wird.

Wenn Herr Prof. Wilken hervorhebt: der deutsche Arbeiter wolle vor allem Freiheit und keine Autorität, und was Marx gelehrt habe, sei Verzicht auf jede Freiheit, so glaube ich, dass er in doppeltem Sinne im Irrtum ist, sowohl in Bezug auf das was Marx gelehrt hat, als auf das was der deutsche Arbeiter

will.

Ich habe nicht die Zeit, auszuführen, dass Marx zwar vom französischen Positivismus ausgegangen ist, aber er gerade nachweisen wollte, dass die bürgerlichen Forderungen nach Freiheit, Gerechtigkeit und Gleichheit sich in der bürgerlichen Gesellschaft gar nicht verwirklichen lassen. Das, was Herr Prof. Wilken dem Sovietsystem vorwirft, ist genau dasselbe was Marx dem kapitalistischen System vorgeworfen hat, nämlich, dass die Wirtschaft in den kapitalistischen Ländern alles ist und der Mensch nichts. Ich muss sagen, die Erfahrungen der letzten Jahre sprechen dafür, das sich in dieser Hinsicht nicht viel geändert hat, und gerade gegen diesen Zustand richtet sich der Kampf der sozialistischen Arbeiter.

Aber ich wollte noch von den psychischen Kräften sprechen, die in Russland ausgelöst worden sind. Sie haben heute Nachmittag an diesem Pult einen Mann sprechen gehört, dessen Rede für viele von Ihnen eine rein-aesthetische Angelegenheit war, denn er hat russisch gesprochen und wir haben kein Wort davon verstehen können. Trotzdem haben wir verstanden, dass hinter dem, was er sagte, eine ausserordentliche Energie, ein unerschütterlicher Enthusiasmus steckten. Ich habe mich nach seiner Herkunft erkundigt: Seine Eltern waren arme Bauern, er war vor dem Kriege Dorfschullehrer, und jetzt ist er einer der leitenden Beamten im rüssischen Arbeitsministerium. Ueberlegen Sie sich, was solche Aufstiegchancen für ihn und seine Kameraden bedeuten, welche Kräfte hier entfesselt werden! In der Sowjetunion hat der einzelne Arbeiter offenbar die Ueberzeugung: heute geht es noch schlecht, aber meine Kinder, die kommenden Generationen, werden die Früchte meiner Entbehrungen und Anstrengungen geniessen können und alles was heute geschieht, erfolgt im Interesse einer besseren Zukunft meiner Klasse. Schauen Sie dagegen nach den kapitalistischen Ländern, wo bei den Arbeitern, namentlich in Deutschland, nur dumpfe Hoffnungslosigkeit herrscht: es war schlecht, es ist schlechter geworden und wird immer noch schlechter werden.

Ueber alle diese Dinge wäre viel zu sagen, aber das verbietet mir der Mangel an Zeit. Jedenfalls möchte ich zum Schluss

auf eine Konsequenz hinweisen: Das kapitalistische System und das Sovietsystem stehen in einem ganz schweren Kampf, und es geht nicht allein um das Wirtschaftssystem, sondern auch um die Seele des Menschen. Wenn es nicht gelingen wird, bei denjenigen, die im kapitalistischen System leben und arbeiten, dieselbe Hoffnungsfreudigkeit, denselben Glauben, dasselbe Ja-sagen zu der Gesellschaftsordnung zu schaffen wie es bei den Arbeitern und Bauern der Sovjet-Union in zunehmendem Masse der Fall zu sein scheint, dann wird der Ausgang dieses Kampfes um die Seele der Menschen nicht zweifelhaft sein!

THE NATURE AND FORMS OF SOCIAL ECONOMIC PLANNING*

BY V. V. OBOLENSKY-OSSINSKY, FORMERLY PRESIDENT OF THE CENTRAL STATISTICAL BOARD** OF THE U.S.S.R.; MEMBER OF THE INSTITUTE FOR ECONOMIC RESEARCH OF THE STATE PLANNING COMMISSION (GOSPLAN), MOSCOW

The capitalist world is now passing through the greatest crisis that it has ever experienced. The crisis is the greatest both as regards depth and acuteness, because of its world-wide character and long duration. So far there have been no signs of improvement. Typical features of this crisis have been: the reduction of industrial production in the leading countries by tens of per cent; unemployment involving tens of millions of people; an acute agrarian crisis caused by the drop in the price of wheat to half its pre-war price; the fall in the price of cotton to a price less than one-third of that prevailing in the period of "prosperity"; the catastrophic situation in the sugar and rubber markets; an enormous under-consumption and even starvation among the working people in town and country. At the same time efforts are being made (typical of capitalist "national" economy) to get rid of over-production by destroying "surplus" sources of production and goods, such as the stopping of oil wells, the restriction of sugar-growing, etc. The United States Farm Board has even proposed to destroy one-third of that country's cotton crop. Quite recently the crisis has manifested itself in the collapse of several important financial key positions of monopolist capitalism (the failure of the Danat Bank in Germany and of the concerns connected with it). These failures threaten the collapse of the German economic system. They have given rise to a credit crisis and an incipient instability of currencies that are spreading all over Europe. The crisis is such that it is no longer the opponents of capitalism but its leaders and advocates who raise doubts about the very existence of the system. They are busy searching for ways out of the crisis and are discussing various correctives for the capitalist system.

* The author of this report was assisted in his work by the staff of the Institute for Economic Research of the State Planning Commission, (Gosplan), Moscow.

** This is now incorporated in the Gosplan.

Meanwhile, in the only country in the world with a socialist system of economy - Union Soviet Socialist Republics - there has been a rapid growth of production, not only in 1930 but also in the first half of 1931. The partial difficulties that have been experienced so far have been difficulties of growth. The most characteristic of these difficulties is the shortage in the supply of labor, to use a capitalist term, a phenomenon just the reverse of unemployment. The increase in the area under cultivation for the year 1931, amounting to 23,465,000 acres; the doubling of the area under cotton: the rapid development of cattle-breeding and State and collective farms, which are taking the place of the disappearing kulak farms; the increased haul of fish: the expansion of production in the textile industry; all these are regarded in the Soviet Union, not as an economic calamity, but as a basis for increasing consumption by the workers, as a basis for improving their economic conditions. It is not surprising, therefore, that the question of gradually abolishing "rationed distribution" and food cards, of which so much has been written abroad by the enemies of the Soviet Union, should have been seriously discussed in the middle of this year. Nor is it surprising that the representatives of the U.S. S. R. at the world grain conference could under no circumstances agree to the American proposal to reduce the production of grain in order to "balance" supply and demand.

Apart from utterly superficial explanations of the world crisis of capitalism, the champions of capitalism now advance two reasons for the crisis: (1) lack of coordination - anarchy - in economic processes, and (2) a deep divergence between the movement of production and the movement of the purchasing capacity of the masses, who constitute the bulk of the consumers. Contrasted with the living example of the Soviet Union, these contradictions of capitalism stand out in particularly striking fashion. And, inasmuch as the absence of these contradictions in the Soviet Union is obviously due to social economic planning, the idea is spreading of borrowing this method of "planning" from the Soviet Union and transplanting it in an environment of capitalist economy. This, however, is to be done without replacing the fundamental foundations of the capitalist economic

system by socialist foundations, upon which in fact this planning is based and from which it has practically grown and which have assured its well-known successes.

Anarchy in production and in the circulation of commodities, finance, etc., and the divergence between producing and purchasing capacity are not isolated phenomena. They cannot be removed separately, while the whole complex of conditions which for the past hundred years has inevitably and constantly given rise to these, with increasing force, is preserved. This complex of conditions is the capitalist mode of production, the principal features of which are: the private ownership of the means of production, the social division of labor, and the contrast between town and country to which this gives rise. Relations between economic units are established by the operation of the law of market value. At a certain level of development the means of production are concentrated in big enterprises; the means of production are transformed into capital and capital goods, the property of the capitalist class: the masses of immediate producers are converted into a class of proletarians, whose only property - their labor power - is a commodity, the price of which is determined by the cost of its reproduction. A considerable intermediate group of small "independent" producers is preserved, mainly in agriculture; these are oppressed by the rule of capital, by landowners living on rent, by commercial "middlemen", and by various other parasitic groups. Profit and the increase of capital are the basic motive powers of economic - technical development. The capitalist strives, on the one hand, to reduce the price of commodity labor power to a minimum, and, on the other hand, to get the utmost surplus value out of it. At the same time, the capitalists compete with each other in the widest market and try to sell their goods at the highest possible profit. In the process of the vertical and horizontal concentration of capital monopolistic combines are formed. Industrial and merchant capital gradually become grafted upon finance capital. This, however, does not abolish competition between groups of capitalists and various branches of industry, but gives it enormous concentration and terrific force. The struggle for markets, for spheres of influence for the investment

of capital, and for cheap raw materials is transferred to the world arena. Monopolist groups in control of state power (the competing imperialist groups) contend with each other for the partition of the world and for the control of as many dependent colonial territories as possible. The competitive struggle and the pressure brought to bear upon labor power, the small producers, etc., is transferred in a different form, but with greater force, to the arena of world-wide relations. This not only gives rise to world-wide economic cataclysms but also to wars between the rival imperialist powers, to colonial expeditions and uprisings, to an ever-increasing oppression of colonials, to the growth of armaments, etc.

The existence of such an integral and inherently inter-connected complex of relations is a real fact. Its manifestations are common knowledge; these include the World War and the "peace" which followed it and created a whole new system of oppressing and oppressed states and nations, the great world crisis of 1920-21, the present world crisis, a whole series of revolutions, including the socialist revolution in Russia, and the preparations of the imperialist groups for a new war. Events during the last fifteen years have clearly demonstrated that material interests in the form of class interests are the driving forces of world history. They have shown that the struggle for these interests has in no way abated but, on the contrary, has assumed a hitherto unparallelled intensity, scope and acuteness, and that the imperialist groups who possess all the economic resources, all the instruments of violence of the modern state, as well as the powerful ideological weapons of science, the schools, the church, the press, etc., are prepared to go to any length, including even the mass extermination of human beings and the destruction of material and cultural values, in their fight to maintain and extend their rule of oppression.

Under such circumstances the attempts made to remove the two previously mentioned contradictions of the capitalist system and to introduce the principle of planning, fail to take into account economic, social, and political reality. These two contradictions are based on the existence of private property, economic classes,

and a bourgeois state power which protects private property. In Italy which has been proclaimed a "corporate state", a state where employers and workers are required to join syndicates and trade unions in their respective industries, where even a supreme economic council has been set up to regulate both production and the market, where the state generally interferes to a considerable extent in economic relations - there is the same condition of general over-production and divergence between production and effective demand that exist in all the "non-corporate states".

The "voluntary" introduction of the planning principle into the capitalist system (as proposed in the United States) by removing the restrictions on the formation of combines in separate industries, by forming planning and coordinating boards for each industry, and a central board to coordinate all industries, will, of course, also fail to achieve the avowed objects. But it will secure one unavowed object; namely, the repeal of the anti-trust law. Generally speaking, this system of branch or inter-branch "planning" agreements (which, in point of fact, establish quotas of production) will only strengthen the position of the big monopolist corporations. It will help to increase their pressure upon the interests of the workers and farmers. It will not abolish the competitive struggle of the employers or the under-consumption of the masses. It will only strengthen stock exchange speculation and the watering of capital stocks. It will neither decrease the imperialist aspirations of big capital nor will it avert crises. In Germany, where even before the war the organization of cartels both within separate industries and uniting allied industries was permitted by law, the present crisis is raging with particular force.

Still less feasible is the proposal to introduce planning on the basis of an agreement between classes, that is, to have a partial restriction of the rights of private property, to regulate prices and profits, to fix a standard of living for the workers, to introduce "annual" wages, and to submit capital issues to partial control. This is to be done with the aid of planning bodies, consisting of employers, workers, and representatives of science and technique, which are to have the right to investigate, to

control, and even, in extreme cases, to issue obligatory orders. Such is the proposal made by Dr. L. Lorwin (Washington) in a paper read at the World Social-Economic Congress on the problem of planning. His proposal is somewhat similar to those advanced by the European advocates of the theory of "organized capitalism".

The gigantic and complicated mechanism of modern economy can operate effectively only if: (1) the hundreds of thousands of capitalists and their agents, who are personally and materially interested in their own enterprises and who enjoy sufficient freedom to display "private initiative", automatically cooperate with each other; or (2) a single directing body is set up to exercise an all-pervading and complete control over the whole mechanism - or, at least, over the decisive part of it - in the initial stage. In the latter case, the leaders of this organization must be socially homogeneous. They must be guided by a common ideal, will, and aim. They must pursue "public" and not private interests. The old class type of "employer" must be replaced by an essentially different social type, possessing a different social education, different interests, social habits, and ideologies. As a rule, however, only the industrial workers can meet these necessary requirements. Therefore, it is not by mere chance that over 90 per cent of the managers of Soviet enterprises are Communist workers (the membership of the Communist Party is an extremely important factor in securing the necessary unity of social aim, will and action). What is required, moreover, is that the entire mass of workers - or at first at least the active majority - shall be absolutely devoted to planned social production and that they regard the industries as belonging to them. Only in this way can a highly complex social economic plan be drawn up and carried out successfully.

Instead of either of the above-mentioned economic alternatives, let us for a moment imagine a situation in which the incentives and the care and the initiative formerly displayed in business have broken down, although the former leaders of business have remained the same. We will assume further that the rights of these business leaders have been restricted, that a sort of

guardianship has been set up over them in the shape of a controlling body of mixed social composition, of different interests, and with different social psychologies. This is a planning and controlling body, but it will not be responsible for the management of the enterprises. Moreover, the environment which fosters bourgeois interests, habits, and ideologies, remains practically unchanged, while the masses of the workers have no particular social incentive to support planned economy, because they do not regard it as their own common cause. Such a hypothetical situation could only lead to: (1) constant friction and conflicts between the class groups represented on the planning bodies, all of which would hamper the working out of plans and obviously result in bad planning; (2) similar conflicts between individual employers, who would try to hinder the drawing up and the carrying out of proposed plans; (3) an enormous bureaucratization of management, both in form and in substance; (4) in some cases, indecision and much inertia on the part of the business leaders; (5) a great deal of insubordination to the planning decisions: (6) mass abuses, much peculation, and enormous graft: and finally (7) such a hampering and disruption of the economic processes that the situation would be equivalent to the worst of crises. To all this must be added the fact that one of the decisive prerequisites for the planning of a national economy is a centralized and unified control of the natural resources of the country (land, minerals, water-power, etc.). Lacking this, planning will be enormously hampered and, in the final analysis, futile.

However, all these assumptions are, of course, entirely hypothetical. It is altogether impossible to imagine that the employers who actually wield real power and force will allow themselves to be brushed aside in any such manner. Still less feasible are such proposals as a means for the rapid solution of the present acute crisis of the capitalist system. Even if such a proposal were formally adopted, as the Wilson proposal for a League of Nations was adopted, there would break out within the shell of this proposed scheme a struggle among the monopolist groups. Each group would only strive further to strengthen its own rule and control. At the same time, the psychological re-

sistance of the working masses would be weakened, for they would be led, of course, to expect great things from such a planning system. In reality, there is no danger of anything like this happening, because the proposal itself is so utterly impracticable.

Hence, in conclusion we can say that social economic planning is impossible under capitalism. Social economic planning is an inseparable feature of the socialist system of production. It can arise, develop, and be carried out only in a socialist scheme of things.

SOCIAL ECONOMIC PLANNING IN A SOCIALIST ECONOMY.

Socialism is a system of society in which all the means of production belong to society as a whole. This system is conceived in the womb of capitalism by the development of the material prerequisites for the socialization of industrial processes, by the growth of machine production, by the emergence of big enterprises, trusts, etc. The socialization of the means of production naturally signifies the abolition of classes and all class distinctions. *

Production is carried on for the purpose of satisfying the needs

* Dr. Lorwin advances the following argument against the possibility of a socialist abolition of classes. He says, "assuming that the class struggle alone is the dynamic factor in history would be fatal for socialism itself, for socialism means the abolition of classes, which would inevitably mean that there would be no further stimulus for further development". This objection is not new and can easily be refuted. The basic "dynamic factor" of social development is the development of p r o d u c t i v e f o r c e s, which determine industrial relations and, consequently, classes. Classes, class interests, and class ideology have repeatedly been radically changed in the course of historical development, e.g., the transition from feudal to bourgeois society. The development of productive forces within the womb of capitalist society leads to the actual socialization of the productive process and, at the same time, to a powerful growth of the new class which is to take the place of the bourgeoisie - the proletariat. The latter has no property or interests in property. The only class "ideal" it can have is the socialization of the means of production. This, moreover, coincides with the real interests of the overwhelming majority of the population. Socialization creates a real base for an entirely new (classless) system of society with new habits, psychologies and ideologies. It also creates new possibilities of incentive for development, as has already been concretely proved by the empirical experience of the Soviet Union.

of the separate members of society. It must also satisfy social needs, including, above all, the upkeep and development of the social apparatus of production.

From this there follows logically the necessity for an economic plan. Even under capitalism large enterprises with a large socialized labor process must have a plan which calculates expenditure, anticipates receipts in units of money, and coordinates all the productive processes. Under capitalism inter-enterprise planning is impossible but planning within certain given economic units is feasible. Under socialism the whole economy of the country becomes one huge single enterprise. Under this system the planning of the whole of the national economy is not only possible, but absolutely essential. It can be asserted that social economic planning is an essential prerequisite for the existence of socialist economy, just as anarchy of production and competition are the essential forms of existence for capitalist economy. For it is only by means of a plan that a unified social management of all the diverse enterprises, branches of industry, and spheres of economy can be correctly exercised, and only by means of a plan can contact and coordination be established between these enterprises. The anarchy of economic life disappears and its place is taken by a conscious determination of all the production processes - the plan.

Socialist business basis or economic accounting (khozraschrot) is the foundation of the plan and the instrument for its accomplishment. It is a great mistake to believe that adherence to a business basis, that is, the aspiration to attain the greatest possible economic results for the least expenditure. is characteristic only of private capitalist economy. Socialist business basis differs essentially from capitalist business basis, but business basis (or economic accounting) is a feature of socialist economy as indeed it is of every rational economy.

Unlike capitalist business basis, socialist business basis leads to the restriction or prohibition of the production and sale of certain commodities for which there may be a considerable demand but which public opinion regards as harmful and unnecessary. Remuneration of labor is not based on the minimum market price of labor as a commodity. The workers have become the

collective masters of their production, and are not the subjects of the economic process. In a word, labor ceases to be a commodity. "Wages" are fixed (allowance being made for differences in skill and the individual productivity of labor during the first period of development) by the simple estimation of requirements, available stock and resources. Under these circumstances labor-saving machinery is not introduced merely to cheapen production. The decisive factors may be the duration and arduousness of the work, the possibility of accelerating the tempo of work and of increasing the scale of production, etc. The essence of socialist business basis is that in general it must result in a considerable surplus. To each economic unit a certain rate of expenditure and result is assigned which must be fulfilled in the most efficacious way. The adoption of a business basis by each economic unit (and as such a unit every work-place is now regarded) is a lever for carrying out the plan and a real means for checking its fulfillment.

A characteristic feature of socialist planned economy is the "preponderance of demand over supply", to use a private capitalist term. This situation in the U. S. S. R. is not a result of historical conditions, that is, it is not due to the fact that the standard of living under the old regime was very low and is now rapidly rising, nor is it due to the fact that industry was so undeveloped that it cannot now keep pace with "demand" no matter how fast it may grow. The crux of the matter is that, since labor has ceased to be a commodity, the shackles which formerly prevented the growth of the requirements of the masses have been removed. There are no absolute limits to the growth of human requirements. They constantly change in form. Hence, the transition from capitalism to socialism creates in this constant upward movement of the requirements of the entire mass of members of the socialist society a powerful instrument for an exceptionally rapid development of productive forces.

On the other hand, as will be shown presently, socialism also removes the fetters of private economy from the productive forces and from the social apparatus of production, and thus constitutes the second prerequisite for its rapid growth. Accordingly, the policy of industrialization in the

U. S. S. R. is also not merely an expression of historical conditions for the construction of socialism in a backward country. If socialism had been introduced in a highly industrialized country like the United States, the consequence would have been a further rapid growth of industrialization - in a new form and a new sense. There would have been complete automatization of industrial processes on the basis of an enormous home market and of exports to backward industrial countries. Other forms of the growth of industrialization would have been the rapid industrialization and mechanization of agriculture, the reconstruction of cities on new principles, and many other forms of exceptionally intensive industrial activity. At the same time, the unfettering of the requirements of the masses and the productive forces of the country would have created a powerful and inexhaustible stimulus toward new development.

What then are the concrete premises for the socialist planned economy that has just been described?

The first is the complete socialization of all means of production and distribution: land, minerals, natural resources (water both as a source of energy and land irrigation), industrial enterprises (at first only all the large ones), all the banks, transportation (all the railways, steamship lines, etc.), commercial enterprises (starting with the large ones), and so on. All the economic "key-positions" are transferred to the socialist state. To this must be added a new feature which supplements the others, i. e., the monopoly of foreign trade by the socialist state. This is the only means by which connection between the socalist state and the unorganized external capitalist world economy can be planned.

The second premise, which is related to the first as the fundamental means for fulfilling the basic initial task (and all subsequent tasks), is that power passes into the hands of the working class, that is, the working class becomes the ruling class until classes and class distinctions are abolished. This new power cannot be the result of a compromise with the former ruling class; nor can the old forms of state organization be utilized. The very structure of the latter is such that it

secures the preponderance of real power for the capitalist elements in society. The new power is the absolute power of the working class, its "dictatorship", although in substance and form it is actually proletarian democracy. It breaks up the old type of state and sets up a new one, transitional to the time when the state and classes will die out.

The third premise, which is a corollary of the first two, is the abolition of classes and a gradual elimination of all traces of class distinction. This at first applies to the big employers, big landowners, and various parasitical groups, such as stock-exchange speculators. This provides the public authorities with huge revenues which formerly were expended in an unproductive manner. Henceforth they are utilized only for the purpose of accelerating the development of productive forces and improving the condition of the workers. The middle bourgeoisie is abolished more gradually. With regard to the petty independent producers, especially in agriculture, their transition to socialized production is effected by means of voluntary cooperation which at a definite historical moment reaches the stage of mass collectivization.

Another essential premise is the immediate improvement in the conditions of the working class by raising wages, by establishing an adequate minimum wage, by introducing first an 8-hour day and later a 7-hour day, with even shorter working days for dangerous and particularly arduous occupations, by improving housing conditions through the class redistribution of the housing resources during the initial period, through the introduction of social insurance in its various forms, etc. All this expresses the fact that the proletarian has become the collective master of production, it helps the proletarian to feel and act as actual master of production. All these measures are reinforced by corresponding measures in the realm of more general policies, particularly in the field of culture and education. This lays down the fundamental basis upon which social and economic planning can be successfully carried out. It calls for the active participation of the entire working class. It is expressed in socialist competition, shock brigades, the so-called counter-plans, etc.

The next premise is the concentration of leadership. This must go hand in hand with the concentration of production in industry, transport, etc. A system of directing bodies is set up for each sphere of economy, for the separate industries and for groups of enterprises. Corps of business leaders are created, homogeneous in social composition, social aim, social consciousness, social will and social action. These corps are reinforced by a ramified network of special organizations, consisting of those who directly take part in the industrial process. The entire system is subordinated to a single directing body - The Supreme Council of National Economy. (Special bodies are set up to manage transport, trade, credit, etc.) The historical course of events was such that in the U. S. S. R. these bodies were set up before the special planning bodies. Originally, they performed the functions of planning. The supreme body which linked up all the others was the government. But only when the Gosplan (State Planning Commission) was formed, did the function of planning receive complete organized and specialized expression. The creation of a single centralized directing system of guidance is the corollary of the principle of concentration and specialization of industry which immediately produces considerable material advantages.

A premise of developed social economic planning is the gradual elimination of the contrast between town and country. This contrast is one of the manifestations of the social division of labor - a typical feature of class society. The technical, economic and cultural backwardness of the countryside which Karl Marx aptly described as the "idiocy of village life", the scattered character of its economic organizations, have to be overcome by combining industry with agriculture. Big producing units - state farms and collective farms, must be established. based on the greatest possible mechanization of production and on the above-mentioned combination of industry with agriculture. Progress in this direction will result in agriculture becoming completely permeated with the principle of social economic planning. The gradual elimination of the social division of labor, particularly that between brain work

and physical work, is being accomplished by raising the general standard of technical skill of the workers, as can be witnessed by the great movement among the workers in the Soviet Union for mastering technique. It is being further achieved by the raising of the general level of education and culture; by the reorganization of the schools on new lines which make the universities accessible to all; by the organization of university extension courses in all possible forms; by the development of clubs and special societies; and by the development of the publication of books and newspapers. All these make for an increasing degree of perfection in the mass participation in the drawing up and fulfillment of plans.

The abolition of colonial exploitation and the placing of the toilers of all nationalities and races on an equal level is the corollary of the two preceding premises and reinforces them. Backward regions and backward strata of the population cease to be factors which retard the development of productive forces and the growth of mass consumption. Artificial concentration of industries in the region where the ruling nation predominates is put to an end. The systematic development of the natural resources of all parts of the former empire is undertaken. Social economic planning is introduced throughout the entire territory. An opportunity is afforded to all nations and races to display their special abilities. All this, of course, creates powerful additional resources for the socialist plan of economy.

In conclusion, it is necessary to mention one general premise of social economic planning. The greatest encouragement and development is given to the work of scientific research, especially in the field of technology and the social sciences, but also, of course, in all the other various fields of science. The plan as the manifestation of social consciousness, as the form of society's rational control over its economy, cannot base its methodology of industrial-technical development on anything else but science - the quintessence of social thought and experience. Therefore, science, scientific research, the specialists in science and technique, must enjoy and do enjoy special protection in a socialist state. Socialism calls into being a ramified

system of institutions for scientific research. It strives to transform the work of individual scientific research into mass scientific work. It attracts to itself the widest possible strata of workers. And socialism, which regards science, not as the private concern of individuals, but as a social function of the highest importance, advances the idea of planned scientific research upon a voluntary basis. A proposal to that effect has already been adopted by the Academy of Science of the U. S. S. R.

The premises enumerated above, if taken in their fully developed form, guarantee social-economic planning in its most all-embracing and developed form. However, social-economic planning, in less perfect form and on a much smaller scale, arises already on the basis of the first two basic and decisive premises, from which all the others begin to develop logically as their corollaries. From a "partial type of planning" (to employ Dr. Lorwin's terms) there inevitably follows the "absolute type". * For the social-economic plan of the proletarian state is simultaneously the plan of management and the plan of socialist reconstruction. It is the gradual reconstruction of the entire national economy on socialist principles.

The socialist plan of national economy is a struggle in more than one sense, and extends in many directions. It is not an academic theory or a dispassionate technical-economic calculation. The plan is the expression and the weapon of the latest struggle in human history which the working class is waging for the abolition of classes and for the building up of socialism. The plan is a phase of the struggle. The remnants of the former ruling classes try to influence the framing of this plan. They try to twist it to their liking in order to retard its development. In the course of planning and the execution of the plans a struggle is waged to overcome shortcomings due to mistakes in

* Dr. Lorwin is mistaken, however, in thinking that developed Socialism (Communism) presupposes a general levelling and regimentation. Marx defines the inter-relationships between society and its members under Communism by the formula "from each according to his abilities, to each according to his needs". Marx and Lenin were also emphatically of the opinion that the State would die out under Communism.

planning, and to inexperience and the complete novelty of the whole system of organized planning. New resources for the growth of productive forces and for the improvement of the conditions of the workers continuously come to light. The plan is constantly being corrected. So far the corrections have invariably been on the side of an increasing scale of production, of increasing rates of growth and a widening of the area covered by the plan. However, this struggle and the social dynamics which characterize the framing and fulfillment of plans do not lead to planlessness or anarchy. They merely express the incessant movement towards the extension of society's rational control over all its economic processes. The plan leads toward the command of all the productive resources of society.

We will quote a few examples to show what results can be achieved by the transition from private to socialized ownership in the means of production, by the use of a constantly expanding social scheme of economic planning. In regard to the utilization of the natural resources of the country, it becomes possible for the first time to organize the search for minerals in a scientific and systematic manner, based on the data of geophysics. Prospecting for metallic ores, for example, is carried on by special expeditions. They employ modern perfected methods in their researches in all the geophysical regions where it is expected that a particular ore can be discovered. And, of course, this work is in no way hampered by private property, either in land or in minerals. The result is an exceptionally rapid discovery and uncovering of hitherto unknown riches. Exploration is going on in a similar fashion for coal, oil, potassium, phosphates, sulphur, etc. That is why new and astounding sources of natural wealth have been constantly discovered in the Soviet Union in the past few years.

In the exploitation of natural wealth a state of affairs has been reached where the wasteful exploitation of natural resources caused by competition has been entirely eliminated. For example, competition has an especially pernicious effect on oil production. This has been entirely eliminated, and as a result the same area yields a considerably greater amount of oil. The intentional concealment of newly discovered mineral deposits and

the restriction of output in order to keep up high prices, which formerly hampered the production of oil and non-ferrous metals in Russia, has also been put to an end. Socialization of the sources of water power and its collective exploitation has facilitated the production of exceptionally cheap electricity; hence the cheap production of nitrates, aluminum, etc. The whole country is covered by a network of power stations which, according to plan, are placed into "rings". The planned construction of the so-called geographical combines and also of regional complexes of enterprises becomes possible. As an example of the former we may cite the grand project of the Ural-Kuznetsk Combine, which is now being fulfilled. This scheme is based on the joint utilization of Ural ore and Siberian-Kuznetsk coal. A regional complex of enterprises is also arising around the Dnieper hydro-electrical power station connected with the production of nitrates, aluminum, electrically smelted high-grade steel, an irrigation system, etc. Generally speaking, all the new big enterprises in the Soviet Union are now built on the principle of planned combination, full advantage being taken of the mutual utilization of gas and steam (for production purposes and heating), electrical energy, by-products, and "waste", and on the combination of industry and agriculture.

The social control of capital investment funds permits the construction of big and therefore technically better equipped industrial enterprises. For example, the standard metallurgical plant now being constructed in the U. S. S. R. is one that has an output capacity of about two million tons per annum. Its size is approximately that of the Gary plant in Indiana. Tractor plants are being built with an output capacity of forty to fifty thousand machines per annum. The Nizhni Novogorod auto factory will supply 140.000 automobiles per year; the Rostov agricultural machinery works is the biggest in the world, and so on.

Just as in a socialist state there is no need for concealing or hampering the utilization of natural resources, so there is no need for concealing new inventions by the restriction and hampering of their applications, such as the buying up of patents, the restricting of their use and deliberate neglect.

All inventions and improvements can and must be utilized. Invention is not a private matter. Hundreds of research institutes are working on inventions according to plan. The creative abilities of proletarian inventors are especially encouraged in every way. This has already produced important technical changes, especially in the coal industry and in the construction of agricultural machinery.

The activity of the masses of the workers is the greatest factor contributing to the success of social-economic planning. Not only do socialist competition and the shock-brigade - manifestations of a new socialist psychology - directly raise the productivity of labor, but the masses of the workers themselves are mainly instrumental in uncovering and discovering new industrial possibilities that so far have been unused. This enables them to exceed the original plans. It has led to the so-called "counter-plan", the idea of which originated a year ago. When the draft plan of production is sent to a factory, it is discussed there by the workers. They find that output can be greatly increased and cost reduced on each unit of production to a greater extent than that provided for in the plan. The plan is amended accordingly, i. e. it is replaced by a counter-plan.

The few examples cited above give a general idea as to why a backward country, which suffered enormous losses in the world war and which later experienced equally ruinous intervention and civil war, was able ten years after a mass famine, not only to restore everything that was ruined but to advance forward at a pace absolutely unparallelled in history. It has left pre-war standards of production far behind and is making uninterrupted progress at the height of a world crisis. These achievements have been accompanied by the reduction of the working day to seven hours and by the radical improvement of the working conditions of the workers in town and country. Furthermore, this progress was achieved without the aid of capital from abroad. All these, therefore, are the obvious fruits of the reconstruction of the U. S. S. R. on socialist lines. They are the results of planned socialist economy.

THE EVOLUTION OF PLANNING IN THE SOVIET UNION.

The social economic plan of the U. S. S. R. was not born in its present developed form. The premises which enabled it to assume its present form were not developed at one stroke. A long road has had to be traveled from the October Revolution to the present time. This road was covered while the Soviet Union was fighting against the technical, economic and cultural backwardness of the country. The fight was intensified by the consequences of the destructive World War, a hostile capitalist environment which meant blockade, intervention and outside support in the Civil War, to the remnants of the capitalist classes.

Briefly, the past period can be divided up into the following phases:

firstly there is the conquest of power, the break-up and reconstruction of the state apparatus, and the break-up and initial reconstruction of the economic foundations of the old régime (1917—1918);

secondly there follows the period of civil war and the policy of so-called "War Communism" (1918—1920);

thirdly there comes the transition to the "New Economic Policy" (N. E. P.), and to economic restoration (1921—1926);

there finally follows the beginning of socialist reconstruction and the development of "The Socialist Offensive" (1927 to present time).

This is a rough and conventional division but it gives the general background of the development.

In the first of the above-mentioned phases, it was impossible to develop social economic planning because of the economic disorganization inherited by the new power from the old. The new organs of power and the economic administrations were only just being formed. The key positions in national economy had only just been wrested from the former ruling classes. The need for planned economic leadership was fully recognized but the objective possibility of its realization was still lacking.

In the second period, the situation was no more favorable. The Soviets ruled over a continuously changing geographic territory.

For a long period the Donetz coal and metallurgical districts were cut off from the leading centers. So also were the important centers of the Urals. The Baku oil fields and the cotton growing districts of Central Asia were completely cut off until the end of the Civil War. In 1920, industrial production amounted to only 18 % of the 1913 figure. The production of pig-iron was only 2.4 % and the production of cotton textiles 4.6 %. There was even a period when all the blast furnaces in the Ukraine were idle. Under such conditions, economic activity consisted, in the main, in an attempt to keep industry - which worked mainly for defense - going as far as possible. Great efforts were made in maintaining the collection and distribution of the scanty food and raw materials resources. Market distribution failed entirely, and in order to secure state collection of agricultural products and to put a stop to profiteering, the market was almost completely liquidated. The system of "War Communism" was established. This was a form of planned economy but it was the economy of a besieged fortress. It kept strict account mainly of the stocks of articles of consumption and distributed them scrupulously according to the class principle. The centers of this narrow and one-sided planning activity were the People's Food Commissariat, the so-called Utilization Commission and the Planning Department of the Supreme Council of National Economy. Although this epoch was very unfavorable for the development of social-economic planning, it must be remembered that during this period the new ruling class removed its adversaries from all the economic "key positions". It built up a new state apparatus that included the apparatus of economic administration. In this struggle against unprecedented difficulties, there developed trained and steeled corps of workers - the future leaders of socialist economic activity.

It is very characteristic that in the last year of the Civil War epoch, on Lenin's initiative, a beginning was made in social planning with the working out of a general plan for the reconstruction of the national economy. This plan was based on the electrification of the country - the so-called Goelro-Plan - (The State Electrification Plan of Russia). This fifteen-year plan

for the technical and economic reconstruction of Soviet Russia was ratified in December 1920 by the Congress of Soviets and became the starting point of the whole subsequent work of planning.

The end of the Civil War marked the transition to a new epoch. The agricultural production of the small peasants, who had become the chief producers after the expulsion of the landowners and the redistribution of the socialized land, declined considerably in the period of "War Communism". The small peasant producers demanded manufactured goods in exchange for their agricultural produce and raw materials. This the disorganized industries could not supply. At the same time, the state of industry and the resources at the disposal of the State did not permit the organization of agriculture on the basis of a rationalized and mechanized large-scale production, for this demanded enormous quantities of agricultural machinery and implements. Moreover, the peasants had first to be given practical proof of the advantages of such a mode of production. The market stimulus had to be restored in order to encourage the restoration of the area of cultivation, stock-raising, etc. At the same time, the habit acquired in the period of "War Communism" of working without the aid of business accounting had to be eradicated. The bureaucratic excrescenses which had grown on the state and economic apparatus of the administration had to be removed. The first stage in the transition to a socialist business method was marked by the necessity for s o c i a l i z e d industry to master the principles of market commercial accounting. Insofar as the new ruling class found it difficult to manage all the numerous small commercial enterprises scattered throughout the country which, however, were important for the restoration of the exchange of commodities between town and country, it was expedient to hand them over to private persons for utilization, but on a leasehold and not on an ownership basis; especially since their activity became an inducement to the state enterprises "to learn to trade" (Lenin). The totality of these measures became known as N.E.P. (new economic policy). On the one hand, N.E.P. was the expression of a policy appropriate

to the first epoch of socialist construction, for it maintained market relations in a modified form. On the other hand, it included at first minor elements of retreat in order to gather strength for another new advance. Already in 1922 Lenin declared this retreat at an end.

The gradual restoration of the productive forces of the country which had been retarded by the bad harvest and famine in 1921, enabled a beginning to be made in the systematic organization of planning. The State Planning Commission (Gosplan) was established as a commission of the Council of Labor and Defense * in February 1921. The Gosplan was instructed to draw up a single state economic plan similar to the plan of electrification. It was also to begin the drawing up of annual economic plans. In accordance with the principal of scientific planning, the Commission consisted mostly of specialists, engineers and economists; Krzhizhanovsky, an engineer and a Communist, was appointed chairman. In 1921, the Commission was only able to verify some partial yearly plans, which had already been drawn up by various economic organs (the fuel plan, for instance, and an outline of the plan of activity for the Commissariat for Agriculture), and to draw up an economic plan for 1921-22 which, in view of the circumstances of the time and the nature of the planning materials at the disposal of the Gosplan, was more in the nature of a food plan. But in 1922-23, it was already possible to lay down the principles of an industrial plan of which from 85 to 90 % was carried out. The plans of all the economic commissariats and the budgets were examined. An export and import plan and plans for the restoration of famine areas were drawn up. An outline of a Five-Year Plan for the development of the national economy which might possibly attract foreign

* The Council of Defense, formally a committee of the Council of People's Commissars, was formed in November 1918. It was in the nature of a small government commission. It was engaged mainly in mobilizing and distributing the economic resources of the nation for defense requirements. At the end of the Civil War it was reorganized into the Council of Labor and Defense - the Supreme Government Council which coordinates the activity of the Economic Commissariats and Centers. It should not be confused with the Supreme Council of National Economy, which is the Commissariat for Industry.

capital was outlined, for the use of the Soviet delegation to the World Conference in Geneva. (The attraction of foreign capital on the basis of concessions was contemplated as one of the elements of N. E. P.)

The State Planning Commission became the central advisory body of the government. It gave its opinion on all the important economic and technical measures that were proposed. By a series of decisions the rights of the State Planning Commission were widened and reinforced. The planning organs of the various governmental departments were subordinated to its methodological and organizational guidance, i. e. with regard to their internal arrangements, their divisions into sub-departments, etc. However, the State Planning Commission was never converted into a commissariat (Ministry). Its conclusions were never binding on the operative economic centers. The conclusions of the State Planning Commission and its projects were subject to endorsement by the government. The planning function was separated from the function of leadership and the latter was not subordinate to the former. Likewise, the planning organs of the various governmental departments, while subordinate to the methodological and organizational guidance of the State Planning Commission, were directly subordinate in their operative tasks to their respective departments.

A big stride forward was made in 1925 when all the hitherto separate plans were brought into a single system, called the "control figures" of 1925-26. (The fiscal year was then reckoned from October 1st.) The control figures were estimates of the volume of production (of agriculture and industry), volume of goods available for the market, the movement of prices, freight turnover, exports and imports, the productivity of labor and wages, house building, transport, investment of capital, circulation of money and credit, the budget, and the many processes of socialization. It was thus a highly developed and many sided plan. However, it was not as yet sufficiently coordinated internally. It was regarded as "a series of figures but not as a system of figures." The compilers were guided by imperfect methods of induction. They planned on the assumption that the

raw material markets. The kulaks previously had supplied a considerable share of this produce to the market. By the summer of 1930, however, these difficulties began to diminish. They were overcome by the successful application of the new forms of agricultural organization. By the summer of 1931 the possibilities of entirely overcoming these difficulties were in sight.

The "Five-Year Plan", which has acquired world-wide fame, was drawn up between the period of restoration and the period of reconstruction. It was a plan of economic development which was to be carried out in five years. In general it was based on a perfected scheme of control figures. It gives a clear perspective of, and indicates the direction which, the struggle for technical reconstruction, the development of production and socialist reorganization of economy will take. The first draft of the Five-Year Plan was begun in the autumn of 1926. It was examined by the Congress of the Planning Organs in the spring of 1927. It was subsequently revised by the introduction of two variants - the "minimum" and the "optimum" variant. The latter pre-supposed very favorable conditions for the realization of the plan, such as additional resources from abroad. At first, the Five-Year Plan was drawn up for the period 1926-27 to 1931-32. In its final form, which was published in 1929, it finally covered the period from 1928-29 to 1932-33. Owing to the return to the calendar year, the Five-Year Plan will be completed in 1933. However, it is common knowledge that the fulfillment of the Five-Year Plan is proceeding so successfully that its completion in 1932 is already fully guaranteed. It will also be the "optimum" and not the "minimum" variant that will be achieved, despite the efforts of the advocates of the bourgeois economic system to partially "spoil" the plan. The plan turned out to be a factor of enormous organizing significance despite the efforts of the remnants of the bourgeoisie to retard the rate of growth decided upon. To take account of and to calculate all the national economic resources in terms of time is no less important than doing it in terms of space. This gives a concrete aim and a unified slogan to the whole mass of the population. In both directions the significance of the Five-Year Plan is already enormous.

On the basis of the Five-Year Plan, we arrived at the "Social-Economic Plan of 1931". This plan includes all the national economic processes in their entirety. It includes, especially on the financial side, not only the budget but the State Financial Plan, which in turn embraces credit, all money expenditure, and the revenues from economic units, etc.. Hence the change in name (from that of control figures). The balance method now entirely permeates the plan. Grain, fuel, metal, transport, building materials, the fundamental equipment of enterprises, labor power, "supply and demand" of the principal commodities, money income, and the expenditure of the population are all calculated to balance The annual plan has become the social economic plan. It has become what such a plan should be - the plan of socialist management - both in form and substance. The social-economic plan is now a plan for completing the foundation of socialist economy.

THE CONTENT OF THE SOCIAL ECONOMIC PLAN OF THE U. S. S. R

The Soviet Union has not yet completed the construction of a socialist economy and a socialist society. The present phase is described in the resolutions of the leading organs of the ruling party in the U. S. S.R. - the Communist Party - and in the last Congress of Soviets, as the "entry into the period of Socialism". The task of 1931 was formulated as "the completion of the foundation of Socialist economy". Thus the transition to the socialist order is not yet completed.

However, already under these conditions economic planning on a national scale is going on. This means that the plan embraces the process as a whole. It guarantees the progress of society toward socialism. This means that the plan foresees all the most important elements of the national economic process. In the main, therefore, the plan decides the whole question of the tempo and direction of the whole social-economic process.

The plan establishes a general rate of growth of the whole national income. It is calculated on the basis of the inclusion of the largest possible number of the able-bodied population in the process of production and of raising the productivity of their

labor. It solves one of the fundamental problems which determines the rate of increase of production, namely, the problem of distributing the whole yearly output between accumulation and consumption.

The detailed plan of production for the separate industries lays down concretely the quantity and specification of the means of production and articles of consumption to be produced. For this reason it is also a plan of distribution. It determines the main channels along which the commodities produced are to be distributed for accumulation, industrial consumption, and personal consumption. A special feature of the social economic plan is that, instead of providing for production for an indefinite market, it at once makes provisions for a definite consumer. There is no gap between production and distribution. This is eliminated by the character of the social economic plan which is teleological in nature.

In accordance with the task of social and technical reconstruction, the plan also provides for the distribution of all accumulation among the various branches of economy. This is based on the fundamental ideas of the general reconstruction plan and on the scientifically determined priority of the various elements of this plan.

The plan provides for the distribution of all the elements of personal consumption among the various classes and groups of population. Each group shares according to the degree to which it has taken part in the process of production, as for example, the degree of skill or the tasks fulfilled with regard to the productivity of labor. For this purpose, therefore, the plan decides not only the amount of commodities of various kinds to be turned out by the socialized sector, but also by the private sector.

Finally, the plan lays down all measures that guarantee that the above-mentioned elements of the plan are put into operation. The plan fixes prices, wages and taxes and all the other elements of the financial plan which in the transitional period, when money-commodity relations are retained, serve to distribute and redistribute the monetary resources. It is thus that the general distribution and redistribution of all the resources of the

country is carried out.

The plan determines the sum total of the inter-relations between the economy of the Soviet Union as a whole and the world economy as a whole. It also determines the inter-relations between the economy of the U.S.S.R. and each separate country in particular.

Every year the plan has to an increasing degree embraced every element of the national economic process and of the process as a whole. The following data show to what extent the plan embraces at present the fundamental elements of the national economic process. In 1930 three-fourths of the whole national income came from the socialist sector; the private sector was responsible only for about one-fourth. It must be taken into consideration that even the private sectors program of production was greatly influenced by the state and cooperative organizations. By means of the contract system, the various state departments enter into an agreement with the independent small peasant producer, under which the latter undertakes to sell his future crops to the state and the state agrees to provide him with credits, seed, materials, implements, etc. The influence of the plan is felt almost in the whole domain of production: the taxation policy, the policy of prices, industrial and personal supplies, and the production of necessary crops are all determined and stimulated by the plan. According to the plan of 1931 the share of the private sector in the national income will be decreased still further - to 18 per cent, while the influence of the socialized sector on it will be increased to an even greater extent.

The decisive element in the plan is the plan of c a p i t a l i n v e s t m e n t s. Upon this depends the direction which expanded reproduction will take. In 1930 investments in the private sector represented only 15.5 per cent of the total sum invested in the national economy. In 1931 the plan provides that the private sector shall represent only 7.5 per cent. And even this small share is under the influence of the socialized sector. For private capital expenditure depends for the supply of machinery and building material on the socialized sector. The largest share of capital investments is distributed among the branches of national economy strictly according to plan. It is commensurate

with the definite aims pursued by the plan: rapid development of the heavy industries, strengthening the technical bases of agriculture, etc. The expenditure is further distributed on a territorial basis, the Soviet Union being divided scientifically into economic geographic regions. This element of the national economic process is to a great extent directly subordinate to the plan.

The industrial program from year to year is more and more influenced by the plan. The whole of large-scale industry belongs to the state. It is organized into a small number of large "corporations" * - one for each branch of industry. The work of these corporations is regulated and controlled by the state. Until quite recently planning for agricultural production was a far more complicated matter. It demanded a whole complex of complicated measures in order to attain the necessary volume and structure. The rapid progress of last year's collectivization and the consequent growth of the socialized farming sector provided a sounder foundation for agricultural planning. The indirect planning and regulating of 25 million farms was replaced by the more direct planning of 200,000 large enterprises - collective farms. These enterprises are united through their provincial unions and the All-Union Collective Farm Center. Contracting arrangements are made with those farms which are not yet organized into collective farms. The existence of 1400 machine-tractor stations, which are at the service of most of the collective farms for their basic agricultural operations, has had the same influence. (These are special enterprises which have at their disposal a considerable number of tractors and also various agricultural machines; they are distributed throughout the country according to plan.)

A very complicated and difficult element in the social-economic plan is the planning for the distribution and redistribution of labor power. It was only recently that the mass of the unemployed were absorbed into the process of production. Formerly, the ranks of the unemployed were increased every year by new arrivals from the country. The question of

* "United Industries", see Glossary.

replenishing the ranks of manual and mental workers in the growing socialized sector has, until recently, not created any special difficulty. However, the rapid growth of collectivization last year, the enormous development of agriculture, and the growing prosperity of the masses of poor and middle peasants, reduced the number of migratory workers seeking employment in the cities, in industrial enterprises and in the building trades. At the same time the rapid growth of the number of students in the technical colleges, the universities and other schools soon exhausted all the available labor resources of the cities. This despite the fact that an enormous number of women have been drawn into industry. Accordingly, the demand for labor power now exceeds the supply. The plans of the last year have been greatly complicated by the problem of a rational redistribution of labor power among the various branches of industry. There must be a rapid training of new corps, largely skilled corps, for the new technically perfect and complex enterprises. The new mechanized processes of production demand a particularly large number of workers. However, the enormous growth in the productivity of labor in agriculture will certainly release considerable labor resources.

The fact that the predominant mass of the agricultural population is now organized in collective farms provides a sound foundation for this new element in the plan. Furthermore, the planned distribution and redistribution of labor power in the entire national economy is facilitated by the fact that the most important resources of consumption are in the hands of the state. They are distributed according to plan so that the state has in its hands a considerable part of the steadily growing housing fund, a progressive wage policy, and other levers of the plan which are bound to facilitate the problem of labor power.

From the very beginning of planned economy, a complicated and difficult element in the social economic plan has been the plan for the distribution and redistribution of resources produced by the p r i v a t e s e c t o r. The plans for collecting grain, butter, eggs, wheat, and even to a certain extent, technical crops and a whole series of other agricultural products, aimed until quite recently at embracing millions of small owners who strove to make

as much profit as possible out of their output. The demand for agricultural produce has increased enormously because of the rapid industrialization, the growth in the numerical strength of the working class, and the growing increase in its income. The well-to-do peasants, especially the kulaks, tried repeatedly to take advantage of this situation. They tried to secure such a redistribution of the national income as would most benefit them. They refused to sell the marketable part of their produce to the state. The Soviet Government could not tolerate such a redistribution of resources. This would have been tantamount to strengthening the capitalist elements of the country-side and diminishing the rate of development of the nation as a whole. A stubborn fight revolved around the procuring plan. This lasted for years but ended with a decisive victory for the socialized sector.

The collecting organs are able to control the markets because the state controls nearly the whole industrial output and means of transport, and because it has a monopoly of foreign trade. At the same time, the government has set a limit to the exploiting aspirations of the kulak elements of the country by means of taxes and other measures. This most difficult sector of the plan has in the main been taken under control. Owing to the growth of collectivization and to the popularization of the contract system among the whole peasantry, this sector of the plan, as time goes on, will interfere less and less with the fulfillment of the social economic plan.

Questions of culture and social life have been given prominent places in the plan. The cultural plan lays down the leading ideas of polytechnical education, compulsory primary education, and the training of corps. It also provides for a network of schools, according to the various types of students and the various groups of the population. It sets rules for admission and criteria for graduation. It specifies the proportion between the various qualifications in the educational institutions, which serves as a guarantee against the over-production of one type of worker and the under-production of others. The plan really covers the entire network of social and cultural institutions.

The plan now also includes questions of health protection and social life. All forms of medical and sanitary measures are carefully mapped out: work in health resorts and sanatoria, the development of rest homes for manual and mental workers, schemes of physical culture and touring, the organization of public restaurants - indeed all possible forms of social welfare and social life. The housing plan was already included in the first control figures of 1925-26.

Following is a list of the various branches of economic and cultural activity according to the 1931 plan: (1) electrification; (2) heavy and light industry; (3) agriculture; (4) transport; (5) post, telephone and telegraph; (6) consumers' cooperatives; (7) labor; (8) economic corps; (9) public instruction; (10) scientific research; (11) health protection and social life; (12) housing; and (13) the financial plan. All these branches of the plan are also undertaken on a regional scale. The plans are mostly divided into the plan of current operations and the plan of capital construction. They are expressed in monetary units as well as in units of kind. They are coordinated with a definite increase in the productivity of labor, of wages, the reduction of cost of production, and the reduction of prices.

Thus, the social economic plan is gradually being converted into a plan that calls for the reconstruction of the entire social life of the country. It is based on material and economic premises. It exercises a direct influence on the various forms of social activity and on economic processes. The plan has become not only a plan for the construction of socialist economic system, but a plan for the construction of a socialist society.

FORMS OF PLANS.

Social economic planning is affected by the various forms of plans which are drawn up. They differ from one another according to the tasks set, the period for which they are drawn up, and the details that they contain, etc. The important thing is the division of social-economic planning into current planning and perspective planning. Both forms of planning are permanent and run parallel to each other. The object of the perspective planning is to give a broad program for social and

technical reconstruction for a more or less prolonged period - 5, 10 or 15 years. Only the existence of such a broad program can guarantee coordination in the more important measures which are intended to effect a distribution of the productive forces of the country on new lines. It requires such a broad planned base in order to lay the successful foundation for big building operations, for the reconstruction of the technical base of whole branches of social economy (agriculture, transport, housing, etc.). Only thus can we bring about big and important changes in social relations.

One of the forms of the perspective plan is the general plan. The first general plan was the State Electrification Plan of 1920 (The Goelro Plan). This plan called for the electrification of Soviet Russia and the reconstruction of the whole country on this new technical basis, which under the Soviet Government leads to socialism. Such a general plan worked out after the conquest of power must be in the main a plan for the whole transition period. It must be a plan that strives for the construction of a socialist society. The general plan can be divided into plans of shorter duration. The shorter plans are distinguished by their concreteness. They are intended to fulfill certain tasks of the general plan with regard to technical and social reconstruction. Perspective plans for 3 to 5 years have been very popular in the Soviet Union. An example of this is the "Industrial Five-Year Plan" (this must not be confused with the present Five-Year Plan) which was worked out by the Supreme Council of National Economy in 1926. The "Five-Year Plan of Social and Economic Development of the U. S. S. R." adopted in 1929 has become known all over the world. At first the bourgeois critics regarded this plan as sheer fantasy, but now the whole world admits that the plan is being more than carried out. Already preparatory work is going on for the elaboration and projection of a second Five-Year Plan.

Along with the drafting of a perspective plan, systematic work is being done in working out current plans for a year in advance. The object of these plans is to fulfill part of the general or Five-Year Plan in the given year. This form of

plan has been much more developed than any other. Yearly plans for all the most important branches of national economy have been drawn up since the establishment of the State Planning Commission. As we have already pointed out, all these branch plans were united into one national economic plan in 1925-26, and this has continued ever since. Every year this form of plan is made more concrete. It is expanded and becomes the fundamental operative plan. At the same time it is the goal towards which millions of workers in factories, on collective farms, in transport services, etc. are striving from day to day.

The growing importance of the role of the single operative social economic plan in the every day work of all economic units has made it necessary, beginning with 1929-30, to divide this plan into quarters. Before the beginning of every quarter, the quarterly plan is re-examined in accordance with seasonal peculiarities. Changes resulting from the fulfillment of the plan in the preceding quarter are incorporated into the plan of the next quarter. This shows to what extent the social economic plan has become a concrete reality, and to what extent it determines all the proportions of industry and indeed the whole trend of economic activity. In some branches of industry, such as the corporations and trusts, the form of monthly and sometimes even of 10-day and 5-day plans is being adopted.

All the previously mentioned plans have one very important distinguishing feature. All of them are plans that relate to the national economy as a whole. They guarantee the uniformity and coordination of all the elements of the plan which serve definite and concrete purposes. All of the plans guarantee the fulfillment of the task defined above - large-scale industrialization, the improvement of the condition of the workers, and socialization.

THE SYSTEM OF PLANNING ORGANS.

The central organ of state planning and accounting in the Soviet Union is the State Planning Commission of the U. S. S. R. This is a Commission of the Council of Labor and Defense. It has the rights of a Government Commission. All the instructions

of the State Planning Commission with regard to the organization and the methodology of planning and accounting must be carried out by all the links in the state and social system.

In every federal and autonomous republic in the Soviet Union, in every region and territory, in every administrative district,* and in large towns with a population of over 20,000 there are planning commissions of the government, of the respective republic, or of the executive committee of the Soviets of the respective, administrative and territorial unit. Every one of the commissions is a central planning organ with respect to the territory of its respective republic, region, district, etc.

There is a special planning body in every People's Commissariat of the U. S. S. R. and of the Republics, as well as in every government department of the regional executive committees. This planning body has rights corresponding to those of the central administration or department (i. e. rights of the major subdivision of the corresponding People's Commissariats or government departments). In turn it is the planning center with relation to the planning work of the subordinate economic organizations and enterprises. These planning organs are above the planning organs in every economic organization: in corporations, trusts, railway boards, shipping boards, etc. These in turn are above the planning organs of the individual enterprises, such as industrial works, factories, power stations, etc. Of late this system of planning organs is being amplified by an enormous number of planning brigades in all enterprises. Planning organs exist also in all cooperative organizations, both local and central in character.

This network of state and economic planning organs, which permeates all the divisions of the economic organism of the Soviet Union, is combined into one planning system, based on

* The Union of Soviet Socialist Republics consists of Federal Republics - the Russian, Ukrainian, White Russian, the Transcaucasian Federation, etc. The Federal Republics include national autonomous republics, such as Tartar, Bashkir, etc., and also regions and territories divided according to economic and geographic principles. The lowest administrative and territorial unit is the district, which corresponds roughly to the county in the United States.

orderly subordination. For example, the planning organ of a trust controls the planning work of the enterprises subordinate to it. At the same time, it is a branch of the planning organ of a corresponding People's Commissariat (the Supreme Council of National Economy, the People's Supply Commissariat, the Commissariat for Transport, etc.). The planning organ of the trust abides by the latter's methodological and organizational decisions. In turn, the planning organ of the People's Commissariat, which controls the trusts and other economic organizations subordinate to it, abides by the methodological and organizational decisions of the State Planning Commission. In similar fashion, the State Planning Commission of any republic or region which controls the planning work of this territory likewise abides by the methodological and organizational decisions of the State Planning Commission of the Union.

This principle of the subordination of all the planning links along a branch (economic) and vertical (territorial) line guarantees the general connection and the complete uniformity of the work of all the planning organs. One of the main principles of the work of the territorial planning organs is that the economic plan of a given territorial unit must include all the enterprises functioning in their territories, even those which are subordinate to the Union economic organizations (the enterprises of the U. S. S. R. are divided into: (1) enterprises of Union importance and (2) enterprises of local importance. The former are directly responsible to the state center and the latter to the republics, the regions, and the various territories. As a result, and irrespective of the administrative subordination of any enterprise to Union centers or other bodies, the local planning commission is able - in fact, is duty-bound - to draw up a general comprehensive plan for the entire economy of the given territory. In this way it coordinates and connects the interests of national and local economy.

As planning is applied to such phases of socialist construction as education, health protection, scientific research, the organization of social life, etc., planning organs have been established in the respective Commissariats of Education, Public Health, etc. They have also been set up in the local departments and

organizations which regulate social and cultural construction.

Statistics and accounting are considered one of the most important state functions of the Soviet Union. Like the planning organs the accounting and statistical organizations exist in all the branches of the Soviet system of administration. The structure of these bodies and their inter-relationships are analogous to the structure and inter-relations of the planning organs. Insofar as the larger share of the national economic production and distribution now takes place according to plan, the entire registration of the various phases of economic production and distribution is, in substance, a recording of the progress of the social economic plan. Therefore, all the statistical and accounting work in the Soviet Union is carried on with a view to giving as much practical help as possible to economic and planning work. The determination of the Soviet Government to link up closely economic planning and accounting is proven by the fact that it has vested the State Planning Commission and the local planning bodies with the duties of a central statistical board. Special sectors which control recording thruout the country have been formed both in the central and local planning bodies.

The gradual execution of the plan is recorded and verified by two methods. The first method is that of "conjunctural observation" of the execution of the plan. The most important indices of the fulfillment of the economic plan are compiled and the results transmitted by the respective enterprises and cooperative societies to the organizations to which they are subordinate every five or ten days (as a rule by wire). The individual economic organizations and People's Commissariats, and through them the State Planning Commission, are able by means of the data which they collect from the enterprises in all parts of the Soviet Union to get information as to just how the plan is being fulfilled and to determine what decisions the situation calls for. The second method consists in receiving complete accounts from all the state enterprises and cooperative societies. These accounts enable the People's Commissariats and in fact the whole planning system to analyze thoroughly the results of the plan and also

the factors and conditions which have made these results possible. This places further proposed planning on a sound accounting basis.

DRAWING UP A SOCIAL ECONOMIC PLAN.

Planning in the Soviet Union differs fundamentally from the planning which takes place in individual undertakings in capitalist countries. In the Soviet Union the unity and coordination of planned work as a national whole enables the plans of separate economic units to be combined into a single plan for the whole national economy. The organizational forms of economic administration in the U. S. S. R. and even the organization of planning itself are the premises for this unity.

Centralized management and decentralized achievement give a high form of economic concentration which includes all the features of the economic process in a manner which is impossible for any capitalist country. The supreme council of national economy controls 73 industrial corporations (or united industries) of All-union or republican importance. They total 4,700 factories. Further, there are 26 corporations totalling 2,600 enterprises which are under the control of the People's Commissariat for supply (since 1930 light industry, with the exception of textiles, has been transferred from the control of the Supreme Council of National Economy to that of the Commissariat for Supply, formerly a division of the Commissariat for Trade). These plants are responsible for the whole output of large-scale industry in the country. A volume of commodity output amounting to 30 billion rubles, according to the 1931 plan, is concentrated in this comparatively small number of organizations. Almost the whole of small industry also has been concentrated. The All-Union Council of Cooperative Producers controls nine Republican Unions with 25,000 organizations having 40,000 workshops in which there are 2,850,000 cooperative producers. In 1931 their output will amount to 5.3 billion rubles.

Furthermore, the Commissariat of Transport operates and controls all the railroads. These have a combined length of 81,000 kilometers (50,600 miles). Their yearly income will

amount to 4.5 billion rubles, according to the plan for 1931. The Commissariat of Transport administers them as a single economic organization.

A few years ago there were 25,000,000 individual farms in agriculture. At the present time about 14,000,000 farms have been concentrated and organized into about 200,000 collective farms. These collective farms are affiliated to 35 or 40 collective farm unions. In turn these unions are controlled by the collective farm center of the Soviet Union. The economic activity of the remainder of the individual farms is regulated by a number of organizations through direct and indirect methods. The Tractor Center controls the work of 1,400 machine and tractor stations. Furthermore, a considerable role is played in agriculture by several thousand big state farms. These farms cover an area of several million hectares and are directed by the People's Commissariat for Agriculture of the Soviet Union.

All the district electric power stations in the Soviet Union are under the control of a single organizing center. This center also regulates the electric power stations of industrial and other enterprises.

A high degree of concentration has also been reached in the sphere of distribution. The whole of the wholesale trade is organized, while of the retail trade 98 % is in the socialized sector. It should be noted that 75 % of the entire goods turnover is controlled by the consumers' cooperative system, organized as a single system in each republic. The remainder of the retail trade falls to the trading departments of the industrial corporations and other organizations of the socialized sector, and is controlled by the People's Commissariat for Supply.

Finally, it should be noted that the State Bank, which has branches in all the large centers of the country, and the Commissariat for Finance, regulate the financial resources of the whole socialized sector. They take care of profit and depreciation on the one hand and expenditures on capital construction, increasing working capital, and various other expenditures on the other hand. This single financial system distributes and redistributes the financial resources of the national economy

among the various business organizations.

Turning to the work of drafting a single economic plan for the whole country, it must be emphasized once more that all the work of planning is so constructed that it combines the concentrated will and aim of the working class organized as a whole with the local initiative of the masses of workers in each subordinate economic unit. To obtain such coordination and before commencing to draw up the social economic plan for a lengthy period - one year or five years - The Communist Party and the Soviet Government set forth concretely their leading aim and social purpose for this period. They set it forth in accordance with concrete material conditions that prevail in the Soviet Union and the outside world, starting from the general aim of constructing a socialist society on the basis of the maximum development of productive forces and the systematic improvement of the material conditions of the workers.

The leading aim of each stage of development takes into account the state of the national economy, the class relations within the country and the conditions of the outside world. It indicates the ways and means and also the rate at which the national economy will be technically and socially reconstructed. The leading aim of each period formulates tasks in the sphere of collectivization and socialization; it sets down the proportion between the increase of the accumulation of capital funds and the increase of consumption: it indicates the chief sections where capital expenditures are required. Thus it establishes a certain system of priorities in the plan for the reconstruction of the national economy (e.g. investment in industry in excess of agriculture, in heavy industry in preference to light industry, etc.) Finally, it determines the policy of prices and wages, i. e. the policy with regard to the distribution of resources for consumption between the various groups of the population. The leading aim or directive, however, does not give detailed figures for all these tasks; it does not indicate all the proportions in the development of the various parts of the national economy; it does not lay down concrete tasks for individual sections of the national economy

or for big trusts and factories. Therefore, it cannot serve as a direct basis on which to start drafting a plan for all districts.

This function is fulfilled by the Gosplan (The State Planning Commission) which, with the close cooperation of all the commissariats and on the basis of the leading aims, draws up limits and directions for all the main branches of national economy. The Gosplan, in drawing up these limits and directions, bases its plan first on a fairly complete report of the condition of the national economy at the time that the work of planning is begun. It studies the conditions and capacity of the productive apparatus, the tentative new units which are expected to come into operation, the resources of consumption that are available, the products which can be obtained from industry during the time period of the plan, the trained labor power available, the sphere of production, etc. It pays special attention to the results of the social reorganization of individual economic units. It makes an estimate of the form and possible methods of resistance which the remnants of capitalist groups may put up.

Further, in drawing up these limits and directions, the Gosplan and the governmental departments take as their point of departure the results of scientific research carried on by the numerous institutes and laboratories of the country, the activities of which are organized and subordinated to the tasks of the plan, and also the latest technical achievements in all parts of the world. The limits and directions allow for the introduction of these scientific and technical improvements on a mass scale. They are applied in the work of the economic organizations, in every place where they are applicable and expedient from the point of view of the whole of national economy (mechanization, rationalization, standardization, etc.). The limits and directions allow also for necessary improvements in the organization of labor and the further rationalization of the productive process.

Using these data the limits then indicate the possible rate of growth of the whole of the national economy and of important individual sections. The limits set tasks both as to quantity and quality for every branch of national economy; they indicate

the distribution and redistribution of available and anticipated resources among them. When establishing limits for any group of factories or for any branch of industry the leading aim is of decisive importance. For example, the leading aim of the collectivization and reconstruction of agriculture calls for the rapid erection of tractor works, the importation of tractors from abroad, and for a change in the orders given to the agricultural machinery factories (machines to be adapted to tractors instead of to horse-drawn machines, etc.).

The leading aim for a definite plan for reconstructing transportation demands that the limits and directions allow for an extensive program of reorganization of the work of those factories which supply equipment for transport. The leading aim for making the Soviet Union independent of foreign countries in a number of lines determines the tasks given to corresponding factories and requires the construction of new ones.

The limits take the form of a plan which is coordinated and connected in its main elements. Although it is only preliminary and approximate, nevertheless, it is a unified plan of the whole of the national economy. It has to be verified, made more precise, and amended on the basis of the experience of tens, thousands and millions of workers who participate in the economic process. The method of determining limits on the whole is the same as the method employed in drawing up the final plan. This method is the m e t h o d o f b a l a n c e.

All the tasks which are given to the various branches of industry and to various big undertakings have to be reduced to a single system. All the tasks in the spheres of production, distribution and exchange have to be mutually coordinated. The principal method by which this coordination is achieved is the method of balance. The limits which are the tasks for the individual branches of national economy are presented in the form of a number of preliminary balances. They run from a simple balance to the most complex, including the combined balances of all the main elements of the national economy. The limits are verified by the method of balances in order to see whether production corresponds with consumption in the main phases of

the plan. The metal balance, for example, must coordinate the stocks and output of metal for the period of the plan with the consumption of metal by all the chief industrial and constructional organizations of the country.

If, in the course of the definition of the limits, it is found that there is a divergence in the balance, it is necessary then to increase production, to import from abroad, or else to reduce the consumption of metal. The actual selection of items to be balanced is made on the basis of the leading aim. The balance, or separate parts of it, is included in more complex and more general balances which may take the form of values (such as the balance of prices and cost of production plus profit, the balance of variations in the cost of production, and the efficiency of labor and wages).

The peculiar feature of the method of balance is the fact that a series of material balances are examined, not separately but complexly. In establishing any particular task in the sphere of production or construction, the limits must take into account the supply of the necessary materials by the related organization - fuel, metal, building materials, labor power, etc. In each of the material balances (metal, fuel, raw materials, building materials), producers and consumers must be assured such proportions as will assure them sufficient supplies of their whole complex of materials. The whole system of material balances is united in this fashion into a single fundamental balance of production and consumption for the period of the plan.

Contacts with world economy occupy a special place in the plan. Almost any deficit in any material element can be balanced by the importation of materials from abroad. These however, must balance with the planned exports.

The balance method is employed in order to establish the general volume of accumulation in the country and the distribution of accumulations between the various branches. The balance method determines all the resources of consumption and their distribution and also the income and expenditure of various groups of the population. The same method in the form of the single financial plan takes care of the distribution and redistribution of

money resources between all the economic organs in the Soviet Union thru its financial institutions. This balancing of all the chief elements of the national economic process is not limited to All-Union balancing. The enormous distances between the various parts of the Soviet Union call for coordination in time and space as one of the chief problems of the plan. Along with the plan for the entire Soviet Union, a plan for each separate economic-geographic region is drawn up. A number of balances, such as the balance of labor power, the balance of production and consumption of such bulky materials as fuel, building materials and grain, and the balance of the income and expenditure of the population, must be drawn up for all these regions. The method of balancing all the chief elements in the limits gives unity and coordination to the tasks of both the Soviet Union as a whole and of the individual republics and provinces. In conditions where the plan is a dominating feature, where it embraces all the chief elements of the process of national economy, where social and economic anarchy is overcome, and where society is being consciously constructed on socialist principles, the method of balancing subordinated to the leading aim of the plan is the fundamental method of social economic planning.

A different and incorrect method of planning was proposed in the U. S. S. R. by bourgeois economists and the so-called "wreckers". It was a method of "planning" based on spontaneous economic development, on the laws which had operated in the past. This in fact meant the renunciation of the active socialist leading aim and was an attempt to preserve bourgeois elements in economy and tacitly to adopt capitalist economy as the leading aim. For example, V. Groman considered that "the methods and forms of changing society are dictated by the objective conditions of society and the objective trends of its development which are inherent in it." * These he takes as empirical laws of the statics and dynamics of national economy. Hence he concludes that the principal method of drawing up a plan of national economy is the method of static and dynamic

* "Planned Economy", No. 1, 1925, page 88.

coefficients. It is, in other words, the method of the extrapolation of the events of the past projected into the future. ("The achievement of pre-war relations, in which the conditions for economic equilibrium were expressed, are to a great extent regulative norms, in the objective sense of the term, for the present economic process.") ** If we analyze this method we will clearly see to what planning by such methods would have inevitably led. The rates and proportions inherited from the capitalist past were to serve as a criterion for the socialist future. Pre-war relations of value were to be obligatory in the plans of the future. It would have been impossible by any such methods to rebuild society, to abolish crises and construct a planned economy. Bazarov, while doubting in principle whether the planning of the social division of labor is possible, is of the opinion that purposeful planning is applicable only in the state sector (with regard to the planning of the social division of labor, Bazarov said in his thesis "On the Methodology of Perspective Planning": "The planning of the social division of labor is an unexplored region in the full meaning of the word and the problem itself involves serious differences of opinion.") In the private sector of agriculture Bazarov believed that it is necessary to determine the tendency of development which will serve as the "foundation on which teleologically constructed perspective plans for the separate branches of industry can be adopted."

In all analogous theories there is always used the method of studying the trends and relations of the past. For their authors are seeking for "economic equilibrium". They are seeking it on the basis of the spontaneous laws of capitalist relationships. Such theories like the "infantile disorders" in the socialist method of planning are now a thing of the forgotten past. Year by year the work of planning becomes more full of meaning, more purposeful, and more concrete. At the same time there is an increase of synthesis of unity, and of the coordination of the plan. This is assisted by the mass planning work which goes on throughout the country on the basis of limits and directions.

** Ibid, page 98.

The limits or programs of the Gosplan of the Soviet Union are passed on to all governmental departments, republics and districts. The latter detail them out among the corporations, trusts and complexes of homegenous factories. The limits and directions on the drafting of the plan are merely tentative and provisional. They are drawn up several months before the plan comes into operation. They indicate the main idea of the plan for the ensuing period and are subject to thorough discussion and critical examination. They are made precise and amended in accordance wth the proposals made by the central and local planning bodies, by the public and business organizations, and by the millions of workers in each respective district and factory. From year to year the importance of the planning work carried on in these local organizations increases enormously. It finds powerful expression in a mighty wave of "counter-plans".

Until a few years ago only a relatively small group of workers took any part in the work of drawing up the plans for the respective enterprise or corporation. The planning group, the factory management, the higher technical staff and members of various conferences and congresses - these in the main represented the permanent participants in the work of planning. During the past year, however, the number of those people taking part in this work has increased enormously in all enterprises and in many cases the whole mass of workers in a given enterprises takes part in discussing the plan submitted by the leading planning organization of the factory and makes suggestions for its alteration.

Counter-plans play an enormous part in accelerating the development of national economy in the Soviet Union. The counter-plan in many cases, based on the limits of consumption given for raw materials, fuel and other items of industrial consumption, represents a higher program of work, and in particular higher qualitative indices - a greater increase in the productivity of labor and a greater reduction of the cost of production. The counter-plans break down the conservatism of certain branches of the economic apparatus. It brings to life potential resources that were previously unthought of. The counter-plans, by

mobilizing the masses for a higher plan, discover new resources which were concealed in the respective enterprises. It gives an impetus to an enormous creative effort, to invention and to the rationalization of the whole process of production.

The counter-plans of the respective enterprises are supplemented by the counter-plans of entire united industries, regions, and republics. The united industry, governmental department, or regional planning organization, upon receiving the counter-plans from the factories, compares them with the limits that have been established for the whole complex of enterprises under its charge. Knowing the task that has been set for the particular branch of industry or region and the place it occupies in the general plan, and knowing on the one hand the conditions and the difficulties with regard to supply, and on the other hand, the acuteness of the demand for the products of the particular branch of industry, the united industry and regional planning organizations utilize the material collected from the factories. They take account of the changes made by the counter-plans in the original limits. They draw up their general plan for the branch of industry or for the region as a whole, and in it they distribute the tasks for the separate factories. The fundamental and decisive criterion for carrying out such a distribution of the general task among the factories is the interest of the national economy as a whole and not the separate interests of any individual worker or group.

The plans of the departments and republics sometimes differ considerably from the original limits. In their concrete and corrected form they are sent to the center, to the State Planning Commission (Gosplan) of the Soviet Union, which has the task of synthesizing them into a single plan of national economy. All the principal disagreements and disputes, which are in fact only different variants of the balance of various elements in the national economic process expressed in terms of commodity products or money are revealed and examined in the course of the work of the departments and republics.

The method of balance is again the principal method in the final stage of synthesis. It is applied to the coordinated and

corrected material. The specific work of planning departments, particularly of the Central Planning Board (a department of the Gosplan) is to compare, coordinate, and equalize the relations of the balances. In point of fact, the basic items in the system of figures are the result of years of work on the control figures which have their foundation in the Five-Year Plan, and are reinforced by the counter-plans. When preparing the final draft of the plan for the current year, the chief task is to make the items more concrete and to balance them.

The mass work which is carried on in connection with the plan gives accurate and up-to-date information regarding the condition of the productive forces and the production relations in the country; makes valuable corrections in statistical data; and also supplies a mass of rich material on the basis of which the task of economic policy and the particular aims of the plan are made more exact.

The Gosplan draws up the final draft of the plan after having discussed it with each separate department and at a special conference of workers from planning and scientific institutes. The plan is then submitted to the government for ratification. After it has been ratified by the government, the single plan of national economy is parceled out by the departments and republics among the united industries and regions. The latter carry the plan down to the individual factories and factory departments. Sometimes the obligations under the plan, of each machine or workbench, are indicated in the form of concrete operating tasks. The plan is divided according to time into yearly, quarterly, monthly, ten-day, and five-day plans.

The single plan of national economy drawn up with the help of the masses and expressing the will of tens of millions of workers is actively carried out by them. The struggle for the fulfillment of the plan takes place on all sectors on the economic front. The numerous difficulties which arise during the drive for its fulfillment are overcome. The fulfillment and the surpassing of the plan by every sector becomes a matter of honor for the respective groups of workers in the various sectors, and becomes an object of competition among them. Every phase

of the plan, every part of the task attracts the attention of millions of workers. The press gives daily reports on the progress of the various sectors of the social economic plan: the sowing campaign, the plan for hauling building material, lumber floating, grain collections, subscriptions for loans, and all the other regular and periodical work necessary for the fulfillment of the plan.

Under the conditions prevailing in the Soviet Union "conjunctural observation" that is, observation as to progress in the fulfillment of the plan, is of extreme importance. By means of such observations, all the changes that take place during the course of carrying out the plan are noted, the cause of these changes are explained, and it is made possible to assist in the fulfillment of the plan and to introduce corrections in the plan during the course of its fulfillment. Since there is a close interconnection between all the branches of the national economy, a breach in the general line or a retreat from the plan on even one sector affects a great number of other sectors, no matter how well the latter may have been working. Every serious deviation from the plan in one place requires that coordinated measures be taken in others. It is, consequently, extremely important that each factory be placed upon a business basis. A departure from this basis is a signal that the particular factory has retreated from the plan.

The sum total of the tasks, both quantitative and qualitative, assigned to a factory are expressed in its industrial-financial plan, which coordinates all tasks in a single common plan. A failure to carry out this plan signifies a failure to carry out either the quantitative or the qualitative tasks, or both. This means either that insufficient products have been turned out or that too much raw material, fuel, auxiliary products, or labor power have been used, involving a discrepancy in income or expenditure. Departure from the business basis means that a number of links in the balance are disturbed, and this cannot but affect many other sectors. The struggle to keep a factory on a business basis is actually a struggle to fulfill the plan as a whole.

Therefore, every factor which fails to fulfill its share of the plan

during a certain period of time is in duty bound to make up the deficiency during the remaining period covered by the plan. At the same time, the higher bodies, who keep vigilant watch over the fulfillment of the plan by each separate factory and group of factories, make the necessary changes and regrouping in the work of the other sections which are involved in any change. The work of each factory is a link in the general chain of work. It is the duty of every factory staff and of the workers of the Soviet Union as a whole to see that each factory functions properly. This is why every worker in the Soviet Union keeps such a strict watch over the achievements of the plan on every sector of the economic front. The business basis (economic accounting) is the gauge by which the fulfillment of the plan is measured. This is why public attention in the Soviet Union is riveted upon the problem of placing every factory upon this basis.

The plan of national economy in the Soviet Union is a plan of the millions of workers. Millions of workers draw it up, carry it out, and watch closely the course of its development. This is the basis for the success of planned economy. This is the fundamental advantage of the Soviet system of economy. This is the source of the unprecedented rate of development in the Soviet Union.

PLANNED ECONOMY IN OPERATION IN THE SOVIET UNION

BY L. S. RONIN, MEMBER OF THE INSTITUTE FOR ECONOMIC RESEARCH AND MEMBER OF THE STATE PLANNING COMMISSION (GOSPLAN), MOSCOW.

During the past ten years the development of national economy in the Soviet Union has been determined by factors which the November Revolution established. These factors include: the dictatorship of the proletariat; the nationalization of the land, large-scale industry, banking and transportation; the abolition of private property in all the basic means of production; and the monopoly of foreign trade. Since the November Revolution the proletarian government, through its control of the economic key positions and on the basis of the New Economic Policy, has carried on a systematic struggle for the elimination of capitalist elements and for the transformation of small-scale peasant economy to large-scale agricultural production. It has carried on a struggle for planned economy, for the building of a socialist society.

What have been the results of this struggle?

The national economy of the Soviet Union suffered a severe decline as a result of the imperialist war and of the civil war, as a result of internal counter-revolution and of the subsequent intervention by a number of capitalist countries. Industrial output, which was valued at 5.6 billion rubles in 1913, declined to one billion pre-war rubles in 1920. Agriculture also suffered severely. The sown area in 1916 was 281.6 million acres. By 1920 the sown area had decreased 25 per cent, while the gross production of grain had decreased 50 per cent. Railway transportation was completely disorganized. In 1913 there were 20,030 locomotives; in 1920-21 only 18,757 of these were left. The percentage of locomotives in disrepair increased from 16.3 per cent in 1913 to 62 per cent in 1921.

THE RESTORATION OF NATIONAL ECONOMY.

Upon the conclusion of the civil war, the Soviet Government

* The author of this report was assisted in his work by the staff of the Institute for Economic Research of the State Planning Commission, Moscow.

abandoned the policy of War Communism, which had been necessitated by the state of siege, and adopted the New Economic Policy. The first task under the New Economic Policy was the rapid restoration of heavy industry. This was to be accomplished on the basis of the revival and restoration of the productive forces in agriculture.

The Soviet Government - in permitting the peasants to sell their surplus products as a means of stimulating the development of productive forces, and in establishing the market form of relationship between industry and peasant agriculture - was fully aware that this would inevitably stimulate the growth of certain capitalist elements in the spheres of production and distribution But this inevitable growth of capitalist relationships was counteracted by the restoration and strengthening of state industry and by the establishment of direct economic ties between state industry and peasant economy through the cooperative system. These measures, together with the policy of supervising and restricting the capitalist elements, aimed at the elimination of private capitalist forms of economy and the development of socialist relationships.

The Soviet Government calculated that, by restoring and strengthening heavy industry as the economic basis for socialism, by gradually carrying out the electrification plan adopted by the Sixth Congress of Soviets at the end of 1920, and by drawing the majority of the peasants into collective farms, it would be laying the foundation for the social-technical reconstruction of the entire national economy. for the development of a powerful socialist industry, and for the creation of large-scale socialist agriculture.

Such was the plan for socialist construction. drawn up in its broad outlines. under the gifted leadership of Lenin. at the time of the introduction of the New Economic Policy. This plan became the basis for the economic policy of the Soviet Government and determined the character and rate of development of Soviet national economy.

The period from 1921 to 1926 was devoted to the restoration of national economy, including industry, agriculture, transportation, commodity turnover, and currency circulation.

During this period the output of census industry increased more than five-fold from 1,772 million rubles in 1921 to 9,120 million rubles in 1926 (at 1926-27 prices).

As regards agriculture, the sown area in 1927 was 279 million acres, as compared with 284.5 million acres in 1916. The total number of large horned cattle in 1925 exceeded the 1916 total.

The rapid rate attained in the restoration of industry was closely connected with and, at that stage, largely dependent upon, the rate of restoration in agriculture. The central problem was working capital, raw materials, food supplies and money. In 1921 the Soviet Government, having at its disposal an industry with a basic capital of 4.7 billion pre-war rubles was confronted with the task of starting up the idle factories and of increasing the output of those factories which were operating below capacity. The necessary supplies of food and raw materials were obtained by restoring the productive forces of agriculture. At the same time, by increasing the output of the factories and the productivity of labor, the task of creating a sound basis for the growth of accumulation in state industry was solved, particularly in those industries which produced consumers' goods. The stabilization of the currency and the development of a credit system solved the problem of currency circulation and enabled national economy in general and industry in particular to obtain the necessary short term credits.

The strengthening of the state budget permitted the introduction of measures for the revival and development of heavy industry. As a result, capital investments in industry - which in 1921 and 1922 amounted to a few tens of million of rubles, sums even insufficient to cover depreciation - rose by 1925-26 to 811 million rubles.

Despite the extremely severe damage sustained during the imperialist war, counter-revolution, and intervention, the Soviet Union was able to restore its economy much more rapidly than a number of European countries which had suffered much less from the world war. It is worth noting that the Soviet Union was one of the first countries to place its currency upon a sound

basis. It must be emphasized that the national economy of the Soviet Union was restored at this rapid rate by its own forces and its own means without the aid of foreign credits.

Soviet economy has certain important advantages: private ownership of all the principal means of production, including land, has been abolished; the main resources of the country are concentrated in the hands of a single owner, the proletarian government; and the distribution of these resources is planned. These advantages already became apparent in the restoration period.

As early as the time of the introduction of the New Economic Policy the question of planned development of the restoration process was sharply put. The State Planning Commission was assigned the task of estimating all the food and fuel resources of the country and, on the basis of this estimate, of ascertaining which state enterprises could be set in operation at full capacity, which enterprises should be leased out and which should be temporarily kept in reserve.

Plans were also drawn up for various branches of industry, for budgets, for agricultural credits, etc. However, it should be noted that the growth of market relationships and the decline in the value of the ruble during the early stage of the New Economic Policy were unfavorable for the development of planning in national economy. The calculation of market factors played an important role in drawing up plans. Planning was regarded as an instrument for controlling the anarchy of the market and subordinating it to the control and regulation of the state.

Later, with the stabilization of the currency, the strengthening of state industry and the trading and cooperative system, the basis for planning was sufficiently solidified to permit the transition from planning for individual branches of industry to drawing up a single plan for the whole of national economy. Such a single plan was first formulated in the so-called control figures of national economy for the fiscal year 1925-26. It must be emphasized here that - despite the imperfection and incompleteness of the plan, which did not cover all sections of the

national economy - its influence on the restoration of economic life was nevertheless decisive.

INDUSTRIALIZATION.

As the restoration of the national economy progressed, the policy of industrializing the Soviet Union acquired greater and greater importance. The effects of this policy were already strongly felt at the end of the restoration period. Thus, in 1924, the output of producers' goods (group A) increased 24 per cent and that of consumers' goods (group B) 39 per cent; in 1925-26 the output of producers' goods increased approximately at the same rate as that of consumers' goods, namely, 34-35 per cent. In the subsequent years the output of producers' goods increased at an even greater rate than that of consumers' goods. This increased rate in the output of producers' goods was facilitated by the policy pursued of allocating a much larger share of the capital investments to those branches of industry producing such goods. The distribution of capital investments between groups A and B is indicated in the following table:

	1925—26	1926—27	1927—28
		(in million rubles)	
Group A	491.4	737.2	969.0
Group B	178.6	194.0	268.1
All Industry	670.0	931.2	1.237.1

A decisive factor in the further development of Soviet economy was that the restoration process was not based upon a restoration of pre-war conditions or proportions as among the various branches of the national economy. The direction of development was determined by the general plan for socialist construction, known as the Five-Year Plan. The pre-war level of production was reached on the basis of new relations among the various branches of industry. Thus, in 1926-27 a total of 91.3 per cent of industry covered by the census was state industry, 5 per cent was cooperative industry, and only 2.3 per cent was private capitalist industry. Railway transportation was completely in the hands of the state. The credit system was also in the hands of the state. Furthermore, in

1926-27 more than 80 per cent of the total commodity turnover was carried on by state and cooperative trading organisations. And, finally, the middle peasant, the peasant who did not exploit hired labor, became the central figure in agriculture. In 1927 the middle peasant's share of the total sown area amounted to 71.6 per cent, of the working horses to 80.7 per cent, and of the marketable output to 71 per cent. Despite a small increase in the capitalist elements in city and village, their weight in the national economy as a whole steadily declined.

The capitalist elements had their strongest hold in agriculture. At that time the predominance in agriculture of the system of small-scale production fostered, to a certain extent, the growth of capitalist relations. However, the development of agriculture was not isolated from the development of industry. The direction of the development of the small peasant village was determined by the development of the socialist city. Opposed to the capitalist elements in the village were not only the toiling masses in the village itself but the whole system of the dictatorship of the proletariat, with its powerful key positions in national economy (primarily socialist industry) and with the cooperatives and other levers for planned influence upon agriculture. In the last resort it was these factors which determined the fate of the capitalist elements in Soviet agriculture.

THE TEMPO OF INDUSTRIALIZATION AND THE RECONSTRUCTION OF NATIONAL ECONOMY.

The transition from the restoration period to the reconstruction period occurred at the time when state industry and the other socialist key positions became the decisive factors in national economy, when state and cooperative trading comprised the overwhelming share of the general commodity turnover of the country. The socialized sector played the leading role in national economy; its expansion determined the general direction of economic development.

In the transition to the reconstruction period the basic industrial enterprises were working at full capacity. In this connection a number of bourgeois economists, who were later discovered to be plotting against Soviet industry, advanced the theory of the

"descending curve". They argued that, as a result of the exhaustion of its basic capital, Soviet industry would in the future develop at a diminishing rate. Despite this "theory", state large-scale industry, having entered the period of reconstruction, continued to develop at an unprecedented rate, as indicated in the following table:

	Total	Per cent increase over previous year	Group A	Per cent increase over previous year	Group B	Per cent increase over previous year
	(in million rubles, at 1926—27 prices)					
1927	10,767.6	18.1	4,865.8	25.2	5,901.6	12.7
1928	13,669.0	26.9	6,152.0	26.4	7,517.0	27.4
1929	17,322.0	26.7	8,001.0	30.1	9,321.0	23.9
1930 (estimate)	22,488.0	29.8	11,402.0	42.5	11,086.0	18.9

It is clear from the above table that the highest rate of development has been recorded by heavy industry (group A).

The character of industrialization in the Soviet Union is indicated not only by a comparison of the growth in industry with that in agriculture, but by a comparison of the growth in industries which produce producers' goods with those industries which produce consumers' goods. In 1926 the output of producers' goods constituted 42.4 per cent of the total industrial output; in 1930 50.3 per cent, and in 1931, according to the program, the percentage will be 58.7.

The relation of the output of census industry to that of agriculture is as follows:

	1926	1928	1929	1930	1931 (program)
	(in per cent)				
Census Industry	47.1	51.1	57.9	62.7	67.3
Agriculture	52.9	48.9	42.1	37.3	32.7
	100	100	100	100	100

Before the war the output of industry constituted 42.1 per cent of the total output of national economy; in 1927-28 it rose to 45 per cent; and in 1929-30, to over 50 per cent. From an agrarian-industrial country the Soviet Union is being converted

into an industrial-agrarian country. At the same time, agriculture is undergoing a fundamental change.

Industry developed rapidly first of all in such branches as the metallurgical, machine-building, and electrical industries. The rate of development in the main branches of Soviet industry is indicated by the following table:

		1913	1926	1927	1928	1929	1930
Output of electric power	Mill. kw. hr.	1,945.-	3,507.-	4,173.-	5,003.-	6,386.-	8,231.-
Production of:							
Pig iron	thous. ton	4,210.0	2,269.1	3,049.7	3,375.0	4,346.8	5,017.0
Steel ingots	„	4,250.0	2,900.0	3,584.0	4,272.0	4,907.0	5,676.0
Rolled steel	„	3,500.0	2,200.0	2,880.0	3,500.0	3,967.0	4,598.0
Coal	„	28,900.0	26,044.2	32,332.6	35,808.4	41,668.4	47,050.1
Oil	„	9,300.0	8,821.3	10,956.5	12,315.9	14,477.0	18,621.8
Agricultural Machinery	Mill. rubles	67.0	144.6	181.7	244.1	328.5	486.2
Electrical Industry	„	45.1	70.6	102.2	138.9	207.1	364.1

In estimating the successes of Soviet industry, it is necessary to keep in mind the important structural changes it has undergone. Industry is organizing, with extraordinary rapidity, complicated production processes and strengthening thereby its independence; it is producing 50,000-kilowatt steam turbines, immense Diesel engines, powerful transformers, electric locomotives, tractors and combines, high quality steel, various ferro-alloys, and so on. This rapid process of expanded production has been realized by means of increased capital investments, and has been accompanied by an increase in the number of workers and in the productivity of labor, as shown in the following table:

	1926	1928	1930	1931 (program)
	(in mill. rubles, prices of respective years)			
Capital investment in the basic capital of the socialized sector	2,255	4,115	10,288	17,624
In industry	942	1,703	4,002	6,694
In transport	529	915	1,638	2,884
In regional power plants	72	176	389	850
In agriculture	118	343	2,187	4,317

As has already been pointed out, the greater part of the capital invested in industry went into heavy industry. These capital investments were used both for the development and re-equipment of factories in operation and for building new plants. Capital investments in industry (including the electric power plants) were allocated as follows:

	New Construction	Expansion & Re-equipment	Capital Repairs
		(in per cent)	
1926—27	13.9	73.6	12.5
1927—28	26.9	62.4	10.7
1928—29	35.2	57.1	7.7
1929—30	45.1	48.0	6.9

Every year there has been an increase in the amount of new construction. As a result of these capital investments, there has been a large annual increase in the basic capital funds. Thus, in 1931 the basic capital in industry increased approximately by two billion rubles as against an increase of 1.45 billion rubles in 1930. During the period from 1927 to 1930 a total of 323 plants were put into operation. In 1931 a total of 518 new plants will be put into operation, including a number of gigantic enterprises, such as the Magnitogorsk metallurgical works, the Kharkov tractor plant, and the Nizhni Novgorod automobile plant. The general increase in basic capital in the national economy is indicated in the following table:

	Beginning 1928	End 1928	End 1929	End 1930	End 1931 (program)
	(in mill. rubles, prices of respective years)				
Industry & Electric Power Plants	5,652.1	6,247.7	7,210.1	8,453.4	12,491.2
Industrial & Dwelling Construction	983.6	1,113.4	1,264.1	1,509.0	1,965.9
Transport	10,520.8	10,685.3	11,004.9	11,964.4	13,304.4
Trade	425.9	480.5	615.5	948.3	1,432.4
Agriculture	18,221.4	18,735.3	19,688.0	21,846.4	24,483.6

The rate of development of Soviet national economy on the basis of socialist industrialization is characterized by the rapid increase in the number of wage-earners, particularly those employed in census industry. In 1923-24 the number of wage-

earners (excluding agricultural workers) amounted to 5,843,000: in 1926-27 to 8,866,000; in 1930 to 12,429,000; while in 1931 it is expected to total 13,713,000. This extremely rapid growth of socialist planned economy has enabled us completely and irrevocably to eliminate unemployment, the scourge of the capitalist system. In census industry the number of workers increased from 1,535,000 in 1923-24 to 2,439,000 in 1926-27. By January 1, 1931, the total had risen to 4,229,000.

At the same time there has been a great increase in the productivity of labor. Daily output per worker is given in the following table:

1922	1923	1924	1925	1926	1927	1928	1929	1930
				(in rubles)				
6.8	8.6	9.4	11.9	15.1	17.1	19.8	22.4	26.2

The steady increase in the productivity of labor resulted in a decline in the cost of production of industrial goods, the decline for the period between 1924-25 and 1930 being estimated at about 29 per cent. This resulted in an increase in the profits of industry from 380 million rubles in 1924-25 to 1,700 million rubles in 1930. At the same time, wholesale prices declined 12 per cent. The increase in the productivity of labor is one of the most important results of socialist planned economy and of technical reconstruction. It is based upon the electrification of the country, the increased mechanization of labor, and the new attitude of the workers themselves toward labor as expressed in socialist competition and the shock-brigade movement. It is a result of what Lenin called the "new organization of labor" in the Soviet Union, which "combines the modern achievements of science and technique with the mass amalgamation of the socially conscious workers participating in large-scale socialized industry."

The extent of scientific and technical initiative in the Soviet Union is indicated by the enormous increase each year in workers' inventions and in suggestions presented by the workers for rationalizing industry, by the wide range of scientific research in all branches of economy, and by intensive work toward standardization. For example, out of 63,000 suggestions

made in 1929-30 in ten industrial enterprises, 46.000 were adopted, resulting in a total saving of 20 million rubles.

In addition to the growth in basic capital, important factors in the increase of production have been the systematic improvement in the utilization of this capital, the increased number of working shifts in the factories, and the introduction on a general scale of the continuous working week. The effective manner in which the basic capital has been utilized is indicated by the fact that in 1913 for every 1,000 rubles of basic capital, gross output amounted to 1,355 rubles; in 1926-27 to 1,578 rubles; and in 1929-30 to 2,355 rubles.

The capitalist countries, such as England, France, Germany, and the United States, accomplished the process of industrialization to a large extent with foreign resources and upon an entirely different social and economic basis. The Soviet Union, on the other hand, is solving the problem of industrialization almost exclusively with the aid of its own resources. In accomplishing its ends it not only is without any aid from abroad worth mentioning, but surrounded by hostile and aggressive capitalist nations.

AGRICULTURE.*

While state large-scale industry developed at an unprecedented rate, the situation was different as regards the development of agriculture. As a result of the November Revolution and War Communism, of the abolition of the large landed estates and the equalizing of the size of peasant farms, the small peasant farm became the predominant type in Soviet agriculture. The number of peasant farms increased from 21 million in 1916 to 25 million in 1927, an increase of 19 per cent. The area under cultivation in 1927 was only a little larger than the pre-war area; the number of horses was 84 per cent of the pre-war figure, and the number of cows 115 per cent. A parcelling out of farms had taken place.

When the restoration period had come to an end, the extremely

* The development of agriculture in the Soviet Union is dealt with in greater detail in a special paper submitted to the World Social Economic Congress and published elsewhere in this book.

limited possibilities of developing agriculture on the basis of small, individual peasant farms - especially as sources of supply for the market - became only too obvious. The extremely slow growth of agriculture as compared with the rate of development in industry became a source of difficulty, especially in regard to obtaining the necessary supply of food and raw materials for the rapidly growing cities and industries. The following figures indicate the rate of development in industry and agriculture:

	1927	1928	1929	1930
Gross output of state large-scale industry (in mill. rubles, at 1926/27 prices)	10,767.7	13,669.0	17,322.0	22,488.0
Per cent increase over previous year	18.-	26.9	26.7	29.8
Total sown area (in mill. acres)	278.6	294.4	316.2	318.9
Per cent increase over previous year	—	5.6	7.4	0.9
Number of large horned cattle	68.3	70.5	67.1	—
Per cent increase over previous year	—	3.2	—4.8*	—

* Decrease.

The small peasant farms had exhausted all possibilities of development. Further agricultural development could be secured only by a radical social and technical reconstruction of agriculture, by a transition from small-scale farming by individual peasants to a method of agriculture which would be more effective both for the peasants themselves and for the national economy as a whole, namely, large-scale collective farming on a new technical basis and, at the same time, by the organization of large-scale state agricultural enterprises - state farms. The factors required for carrying out this task, which is unprecedented in the history of mankind, were present. These factors included: achievements in the field of socialist industrialization; increased production of agricultural machinery; growth of the agricultural cooperatives and of their influence upon agricultural production; growth of the system of "contracting" for agricultural crops; the successful development of state and collective farms, which served as a most convincing proof of the enormous advantages of large-scale socialized production in agriculture; the intensified "socialist offensive" against the kulaks; and the better organization of non-bourgeois peasants in support of the state grain collec-

tions. These factors - which had been in force for several years and were incorporated in all the plans for economic reconstruction - combined with the absence of private ownership in land - resulted in certain radical changes in agriculture. Many millions of peasants took the new road toward socialized farming, which has opened a new era in the development of Soviet economy. The process of collectivizing the peasant households, which had increased its tempo considerably in 1928, developed at an unprecedented rate in 1929 and 1930. By the middle of 1931 the collective farms embraced more than 57 per cent of the total number of peasant households.

The great achievements of Soviet agriculture in the past few years, especially the excellent results of the 1931 sowing campaign, have been due primarily to the successes achieved in collectivization. It is important to keep in mind that the 1931 sowing campaign, as well as the development of agriculture in general, comes under the direct supervision of the Five-Year Plan. This direct planned control of agriculture is one of the characteristic features of the new stage upon which Soviet national economy has entered.

The successful development of agriculture has led in the second half of 1931 to a new and rapid increase in the output of light industry, especially of textiles, sugar, etc. It has solved the grain problem once and for all. It is creating the factors necessary for solving the livestock problem, which has been so acute during the last two or three years. The success achieved in the socialist reconstruction of agriculture is gradually eliminating the disparity which previously existed between the rate of industrial development and the rate of agricultural development. At the same time, on the basis of mass collectivization, the Soviet Government is eliminating the kulaks as a class. It is thus abolishing the last stronghold of capitalism in the country and thereby achieving the final victory over hostile economic systems and classes in the Soviet Union.

The steady growth of the national economy of the Soviet Union, with its vast territories covering one-sixth of the earth's surface, necessitated a corresponding rate of development of transpor-

tation, particularly of the railways. As a result of the devastation wrought by the world war and intervention, railway transportation was in a deplorable state during the early years of the New Economic Policy. Even as late as the end of 1924, out of a total of 20,300 available locomotives, less than 13,000 were in use, i. e., only 63 per cent, and of these only 9,400 were in repair.

Nevertheless, by 1926-27 the railway freight turnover considerably exceeded the pre-war figure. During the subsequent years the turnover increased at an even more rapid rate, reaching 238 million tons in 1930 as against 136 million tons in 1926-27. If we compare the railway freight turnover in 1930 with that in 1913, the increase for the Soviet Union amounts to about 80 per cent, for Germany and England to approximately 15 per cent, and for the United States to only 4 per cent. As regards railway freight operations, the Soviet Union in 1930, with a total of 133 billion ton-kilometers, occupied second place, being exceeded only by the United States. Furthermore, the relative position of the Soviet Union in world freight turnover, has risen from 4.4 per cent in 1913 to 7.4 per cent at present. Passenger operations on Soviet railways in 1930 totalled 52 billion passenger kilometers, or 208 per cent above the pre-war level. By this total the Soviet Union won first place in the world as regards railway passenger operations.

It would be useful to point out a few facts which characterize Soviet freight turnover from the standpoint of the territory covered and the character of the goods transported. Transportation along the eastern lines (Siberia-Urals, Kazakstan, etc.) has developed much more rapidly than throughout the Soviet Union as a whole. The rapid rate of development in the industrialization of the eastern regions has been reflected in the construction of mighty industrial combines, such as the Ural-Kuzbas Combine. It is these regions which are to a large extent responsible for the 12,800 kilometers of new railway lines constructed by the Soviet Government. Indeed, the very character of the freight transported reflects most clearly the whole process of Soviet industrialization. At present, the share taken by heavy industry in freight transportation is three and one-half

times as great as in 1913; that taken by the machine-building industry is four and one-half times as great: that by the fuel industry four times as great: while that taken by light industry and agriculture shows an increase of from 74 to 86 per cent.

Capital investments in railway transportation are primarily dependent upon the development of the metallurgical and machine-building industries. and have only in recent years amounted to any considerable sum. The railway system has been able to cope with the demands made upon it by the rapid development of national economy thanks only to the systematic rationalization of transportation. This consisted, first and foremost, in planning the movement of goods on the railways, as far as possible eliminating duplication in the transportations of goods of the same kind to and from the same region. In other words, the railways have been able to cope with their tasks thanks only to the existence of planned economy.

The following data indicate the gain in efficiency of railway transportation: The average daily run of a freight car in 1931 was estimated at 93.4 kilometers as against 72 kilometers in 1913; the average daily run of a freight locomotive at 153 kilometers as against 119 kilometers. The coefficient of overhead costs on the railways fell from 84 per cent in 1926-27, to 52 per cent in 1930

The backwardness of the railways as regards technical equipment and the sharp disparity between the extremely enhanced demands of national economy and the material means for meeting these demands have accentuated the importance of radically reconstructing the technical basis of railway transportation along the lines already begun.

COMMODITY TURNOVER.

In industry and transportation the Soviet Government inherited considerable basic capital from Tsarist Russia. but as regards trade the situation was incomparably worse. Trade facilities were extremely undeveloped and unequally distributed throughout the country. In Tsarist Russia about 94 per cent of the turnover of industrial goods and over 68 per cent of the total

number of commercial and industrial enterprises were concentrated in districts which included only 24.8 per cent of the total population. All the rest of European Russia, containing about 75 per cent of the population, as well as the Asiatic part of the Russian Empire, had only 6.2 per cent of the turnover of industrial goods. The supply of goods to the distant regions of European Russia amounted approximately to two kopeks a year per capita. The supply of goods to the Asiatic part of Russia was even smaller.

In 1926 the turnover of goods throughout the country already exceeded the pre-war level by 10 per cent. In 1925-26 the turnover of commercial goods amounted to about 30 billion rubles; in 1929-30 the total was almost 65 billion rubles. In 1930 the total turnover of goods throughout the country was three times as great as before the war. During the past three years the turnover of goods per capita of the population has doubled, as against an increase of only 40-45 per cent during the thirteen pre-war years from 1900 to 1913.

Retail turnover in 1925-26 was over 12 billion rubles; in 1926-27 it had risen to 13.5 billion rubles; in 1927-28 to 15 billion rubles; in 1928-29 to 16.7 billion rubles; and in 1929-30 it had reached 19.3 billion rubles. The program for 1931 sets retail turnover at 27 billion rubles, an increase over 1925-26 of 130 per cent.

The considerable growth in retail turnover is due to a steady increase in the amount of consumers goods and to the increased output and collection of agricultural products. For example, during the period from 1928 to 1931 the output of clothing and toilet articles increased 250 per cent; that of leather shoes 240 per cent; and in the past two years the sugar output has increased 80 per cent. In 1929-30 grain collections showed an increase of 47 per cent over the 1928-29 collections. In the sphere of commodity turnover one of the most important elements of the economic plan has been the so-called "contracting" system, whereby the state and cooperative trading organizations make advance contracts for the output of the peasant farms.

Despite the rapid growth of industrialization and the considerable capital investment in heavy industry, there has been a shortage of various articles of general consumption. This has been

chiefly due to the slow development of small-scale agriculture as compared with the development of industry, and to the extraordinarily rapid rate at which the cultural level of both the urban and rural population has been rising. The achievements attained in the social and technical reconstruction of agriculture fully convince us that these difficulties will be completely eliminated in a short time. The planned organization of commodity turnover will enable the proletarian state to distribute the supply of consumers' goods in such a way as to furnish at least the industrial workers with goods in an amount equivalent to the income of these workers.

Consumers' cooperatives at present handle 76 per cent of the total retail turnover of the country. In 1931 the retail turnover of the consumers' cooperatives showed an increase over 1930 of more than 50 per cent in the cities and of 29 per cent in the villages. The increase varied considerably according to region. In the Northern Caucasus and in the Bashkir Republic there was an increase of 40 per cent, in the Yakut Republic 62 per cent, and in the Kirghiz Republic 144 per cent. Thus, the greatest increase in commodity turnover has been in those outlying regions and republics inhabited by the minor nationalities where, prior to the war, there was practically no commodity turnover at all. As regards the territorial distribution of goods, the processes of industrialization and collectivization throughout the country and the general policy of the Soviet Government are also clearly expressed.

This expansion in commodity turnover has been achieved on the basis of the rapidly advancing socialization of trade, involving the growth of cooperative and state commerce and the elimination of private capital in the sphere of trade. The course of the struggle between the socialized and private sectors, between planning and anarchy in the marketing of goods, is indicated by the following table:

Years	Share of Socialized Sector in:			Share of Private Sector in:		
	Whole-sale Trade	Retail Trade	Total Trade	Whole-sale Trade	Retail Trade	Total Trade
	(in per cent)					
1923/24	82.0	35.5	55.1	18.0	64.5	44.9
1924/25	91.5	52.0	72.0	8.5	48.0	28.0
1925/26	92.6	59.8	78.1	7.4	40.2	21.9
1926/27	95.5	63.7	83.1	4.5	36.3	16.9
1927/28	98.2	74.6	89.8	1.8	25.4	10.2
1928/29	99.6	84.0	94.9	0.4	16.0	5.1
1929/30	100.0	93.5	98.1	—	6.5	1.9

It is worth noting that at the beginning of 1931 more than 67 per cent of the entire adult population of the Soviet Union were members of cooperatives. This is characteristic of the development of the Soviet cooperative trading system. By July, 1931, the entire adult population over 16 years of age was organized in the cooperative movement in the towns. At the beginning of 1931 the number of shareholders in the cooperatives was 63 million, as against 12.4 million in 1926, an increase of over 400 per cent during the course of five years.

The struggle for the socialization of trade, for placing this sphere of the country's economic life under the control of the planning system, constituted one of the most important factors in the struggle for the Plan, for socialism as against capitalism. At first the problem was to gain possession of the connecting link between town and village, between the socialized economic key positions and the millions of small peasant farms. This connecting link, or "smychka", was, until very recently, maintained primarily through trade. The struggle had for its aim the increased welfare of the masses, chiefly by means of a steady decline in prices.

From 1927 to 1930 the decline in the general index of retail prices in the urban consumers' cooperatives (which during that period handled about 80 per cent of the goods purchased by workers) was about 8 per cent; the decline in the prices of industrial goods was approximately 12 per cent. In the villages the total drop in cooperative prices was about 10 per cent. Investigations of household budgets show that in 1930 the pri-

vate trader supplied to the working population from 0.5 per cent to 2.5 per cent of the total amount of goods purchased (not including animal products). The development of state and collective cattle farms will in the near future reduce the role of the private trader to a minimum in this sphere, as it has already been reduced as regards grain.

At present the private market in the Soviet Union plays a very insignificant role. As a result of the success of collectivization the private market has been deprived of its base for food supplies, and is consequently in a state of collapse. The private trader and speculator has been eliminated from serious competition by the powerful development of the socialization process. Today he is confined to the local markets; he has nothing to expect from the future; he can only live from day to day. The slightest changes in supply and demand immediately hit the private market, greatly enhancing prices. These reactions become more intense as the private trader's sphere of activity contracts. Incidently, it is extremely naive, to say the least, to imagine that currency circulation is responsible for this feverish movement of prices on the private market.

Years of experience in planned economy in the Soviet Union have shown that the reapportioning of productive forces according to plan and social aim, the beneficial planning of production and construction, imperatively require a corresponding planned organization of commodity turnover. The so-called "selling crisis" in 1923 clearly demonstrated that planned economy (then still in an early stage of development) with its centralized, efficient control over the chief resources of national economy, which had been freed from the fetters of private ownership, is able simply and painlessly to deal with all difficulties which arise in the course of economic development. On the other hand, experience in the regulation of prices in private trade clearly indicates the futility of such regulation and the infeasibility of planning private capitalist economy.

The enormous advantages of the planned organization of commodity turnover are quite obvious in regard to the reduction of overhead costs. Soviet trade carries on a systematic struggle for smaller expenditure in connection with the circulation of

goods, for a reduction in the costs of transferring goods from the producer to the consumer. At the same time, great efforts are being made to improve the services of the stores to the working masses in the cities and villages. The result of this is a saving of many millions of rubles, which, under the Soviet system, opens up additional resources for increasing the rate of development of national economy.

The transportation of goods is planned with a view to reducing to a minimum the distance goods are transported. On the basis of the plan for commodity turnover, the network of trade and warehouses is distributed over the whole country in the most rational manner possible. The planned organization of commodity turnover eliminates the enormous waste involved in a chaotic transportation of goods, such as results from the anarchy and competitive struggle inherent in capitalism, a chaos which lays additional heavy burdens upon the working class and the toiling masses in general. Some idea of this waste may be gleaned from the fact that expenditure for advertising in the United States in 1927 amounted to more than 1.6 billion dollars. The total expenditure in the United States for public health and hospitals (the so-called free social services) was only 11 to 12 per cent of the total amount spent for advertising. In view of this it is not surprising that the commercial overhead costs of several articles of consumption amount to 50 per cent or more of their retail price. Commercial overhead costs in the turnover of commodities in the Soviet Union are incomparably lower than the corresponding expenditures in capitalist countries. In 1930 the total overhead costs of the consumers' cooperatives in the Soviet Union, which handle more than 80 per cent of the retail turnover, amounted to only 1.5 billion rubles or to less than one-half of the estimated expenditure of American commerce on advertising alone. All expenses connected with the turnover of the consumers' cooperatives constitute at present about 12 per cent of the retail price. Consequently, in the Soviet Union the ratio of overhead costs in commodity turnover to the total retail price is only one-third of that in the United States.

FINANCE.

The transition to the New Economic Policy was accompanied not only by a rapid expansion of the national economy in general but also by great progress in the development of the financial system of the Soviet Union. In the sphere of finance the work during the first few years of the NEP (New Economic Policy) consisted chiefly in consolidating the financial system, in creating a stable currency, and in organizing a budget and credit system. At that time the planning of budgets, credits, and finance in general was far from systematic. In 1922-23, and to a certain extent in 1923-24, the budget was drawn up under conditions of a depreciating currency. Contributions in kind to the budget were finally abolished in 1923-24, and the first fixed annual budget was drawn up in 1924-25.

In 1922-23 the emission of new currency provided the budget with 394 million rubles, or 26.9 per cent of the total revenue, but in 1924-25 the budget was balanced without resorting to emission of currency. This constituted a great achievement not only for the budget but for the whole of Soviet national economy. The cessation of emission and the stabilization of the reformed monetary unit (the chervonetz was first issued in the autumn of 1922 and replaced paper money entirely by the spring of 1924) served as the determining factors in financial planning and in the organization of finance.

The state budget of the Soviet Union rose from 2.4 billion rubles in 1923-24 to 21.8 billion rubles in 1931, that is, in the course of the past seven years it has increased 800 per cent.

During these years taxes provided about half of the revenue. The growth of the socialized sector of national economy is indicated by the increase in its share of the tax payments. In 1924-25 state and cooperative enterprises paid a little over 50 per cent of the total taxes; in 1931 they paid almost 90 per cent.

In considering the importance of indirect taxation in the Soviet Union, it is necessary to keep in mind that the social structure of the Soviet national income differs completely in principle from that of the capitalist countries. In the Soviet Union there are no large fortunes and the income of the population has been

relatively equalized. This has converted the excise tax from a regressive form of taxation. constituting a much heavier burden for the poor than for the rich, into a form proportional to the income of the taxpayer. By means of differentiated excise tax rates, such as especially high taxes on luxury articles, indirect taxation has been converted into a fairly reliable instrument of the proletarian taxation policy. Among other measures which lessen the burden for those with lower incomes, are progressive direct taxes and class differentiation in the payment of rent. Furthermore, taxation has proved to be a means for restricting undesirable consumption, primarily of alcohol, since the prohibition of the sale of alcohol in a country with a large peasant population has been found ineffective. At present the tax on alcohol amounts to 93 per cent of the price. This high tax has made it possible to reduce the average per capita consumption of alcohol to 60 per cent of the pre-war level. A characteristic feature of the tax system of the Soviet Union should be noted, namely, the utilization of taxes in a planned way for the redistribution of capital. both among the various branches of socialized economy and within the framework of each individual branch.

The tax reform of 1930 was of considerable importance for the improvement of financial planning and for simplifying tax collections and reducing their costs. Under the new system as many as 55 separate taxes levied upon the socialized sector of economy were united into a single turnover tax, payable to the central government.

In considering the burden of taxation and in analyzing accumulation in socialized economy. one important difference between Soviet and capitalist taxation must be borne in mind. Taxation in the Soviet Union carries out a special function as one of the sources of financing the national economic plan. Under capitalism the greater part of the revenue from taxation goes for the upkeep of the government apparatus and the army. An analysis of the revenues and expenditures in the Soviet federal budget for 1931 shows that out of a total revenue of 10.8 billion rubles, 6.3 billion rubles were spent on financing national economy and

2.5 billion rubles were expended for cultural purposes.

It cannot be said that the population of the Soviet Union is overtaxed, even if we leave out of account the fact that under the Soviet system there are a number of non-taxable items, such as land, mining, and forest rent, part of profits, etc.; even if we ignore the completely different distribution of the burden of taxation between the possessing and non-possessing classes, and even if we forget the glaring contrast between the Soviet Union and capitalist countries in regard to utilizing the revenue derived from taxation, and confine ourselves solely to a formal analysis of the extent of taxation.

In the Soviet Union federal and local taxes (excluding non-taxable items which are included in the turnover tax) constitute 18.5 per cent of the national income, as compared with 19.8 per cent in Great Britain, 19.6 per cent in France, and 25 per cent in Italy. A characteristic item on the revenue side of the budget is the income from state loans, which have shown considerable development during the past few years. State loans are a normal part of the Soviet budget, since the funds obtained by state credit operations are used for productive economic purposes. Even from a private trader's viewpoint it is sound business to invest the revenue from loans in industry, since the profits of industry are higher than the interest and sinking fund of the national debt. The credits obtained by the Soviet Government from the population in the form of state loans have increased from 51.9 million rubles on October 1, 1923, to 1,594.6 million rubles on January 1, 1931. State loans, according to the program, are to increase from year to year. The success of the second issue of the Five-Year Plan loan in 1931 was especially striking. It was fully subscribed in the towns within 25 days and in the course of two months exceeded 1.6 billion rubles. This was more than was scheduled in the program, and shows how broad is the social basis of the Soviet Government and how energetic is the support given by the working population to the policy of industrialization and collectivization.

An analysis of the expenditure side of the federal budget shows that more than half of the revenues are now spent on financing national economy. Expenditures for cultural purposes during

the past seven years have increased 700 per cent. Less than 7 per cent of the Soviet budget is spent on defense, as compared for example, with France, which spends 50 per cent of its budget on defense, including war pensions, etc. Only 2 per cent of the national income is spent on defense in the Soviet Union, while in France, even according to official figures, 4.5 per cent of the national income is spent on defense.

In the Soviet Union 3 per cent of the national income is spent on government administration and the army, compared with 9.3 per cent in pre-war Russia and 5.5 per cent in Great Britain.

The federal budget of the Soviet Union is a combined budget consisting of the budget of the Soviet Union as a whole and of the individual budgets of the seven autonomous republics. By means of this combined budget steadily increasing funds are transmitted year after year to the more backward republics. The growth of the budgets of the Central Asiatic republics, the Caucausian Federation, and the White Russian Republic is the best illustration of the Soviet Union's policy regarding minor nationalities.

The local budgets receive from year to year an ever greater volume of support from the federal budget. The local budgets have increased from 650 million rubles in 1923-24 to 3.8 billion rubles in 1931. Most of the expenditure of the local budgets is for cultural and economic purposes. Thus, out of the total local budgets of 3.8 billion rubles in 1931, a total of 1.8 billion rubles has been appropriated for cultural purposes and 1.2 billion rubles for economic purposes. The fundamental principle of Soviet economic organization is the centralization of planning and the decentralization of administration. This is clearly expressed in the development of local initiative in the sphere of local finances.

Apart from the budget, one of the most important places in the organization and planning of Soviet finance is occupied by the credit system, headed by the State Bank, which is the central Soviet institution for issuing currency. The Soviet credit system is one of the most important instruments for planning and regulating national economy. It concentrates all the financial

resources mobilized under the Plan and redistributes them along the lines indicated by the Plan. It is the focal point of economic connections, the central clearing house and the organized, centralized cash reserve of socialized economy. It is a sensitive barometer of economic life; it marks the extent to which the Plan has been carried out in each section of national economy, it indicates the measures which must be taken under the Plan for guaranteeing the continuity of the economic process.

The fundamental task of the Soviet credit system is, of course, to assist the development of national economy by means of credit; but, in addition, the Soviet credit system, since its establishment in 1921-22, has faced another and equally vital task, namely, the introduction of elements of sound finance into the economic relations of all enterprises in the socialized sector of national economy. The credit system has played an extremely salutary rôle in bringing order into the economic life of Soviet institutions, enforcing proper methods of calculation, bookkeeping, and accounting. This organizational rôle of the credit system continues to be important at the present stage of development, when the task of accurate accounting, under new circumstances and in new forms, is a vital question in all branches of national economy.

The rapid growth of all branches of national economy has been accompanied by a rapid development of the credit system. The resources of the credit system increased from 838 million rubles on October 1, 1923 to 6.3 billion rubles on October 1, 1927, and to 9.5 billion rubles on October 1, 1930. The basic capital of the credit system increased from 156 million rubles in 1923 to 1.4 billion in 1930. Short-term discount and loan operations increased from 410 million rubles in 1923 to 6,350 million rubles on October 1, 1930: long-term credits increased from 132 million rubles to 4.3 billion rubles.

The planned distribution of these enormous resources among the decisive sections of national economy, primarily in industry, is one of the most important factors in the development of Soviet economy.

The planning of credit came much later than the planning of the other branches of national economy. Yet even the first steps

taken in this direction were quite successful. For example, the quarterly credit plans in 1924-25 were fulfilled to the extent of from 99.2 per cent to 108.4 per cent and in 1925-26 from 95.6 per cent to 99.6 per cent. With the growth and consolidation of socialized economy and with the perfection of the methods of planning, this extremely important sphere of economic relations was also put on a planned basis. The abolition of commercial credit and the transition to direct bank credit, as a result of the reform of the credit system in 1930-31, has raised financial planning to a new and higher level.

This credit reform, made possible by the rapid growth of the socialist elements in the national economy and by the level of planning which had been reached, in turn assisted in inculcating and intensifying the principle of planning in Soviet economy. It greatly simplified the relations between economic organizations and the credit system as well as the relations of the various economic organizations among themselves. The decisive factor which will assure the proper functioning of the new relations created by the credit reform is the strengthening of socialist economic efficiency, which is one of the tasks at present confronting economy.

With the introduction of the credit reform and the concentration of all short-term credits in the State Bank, the latter was converted into a single clearing house for the whole of Soviet national economy. The State Bank concentrates and regulates all the financial relations of the economic organizations, the financial institutions, and the special banks. These special banks at present handle only long-term credits and finance industrial construction, agriculture, the cooperatives, and the municipal services.

One of the most important items in planning national economy, is the planning and regulation of currency circulation. The planning of the entire economic process makes it possible to control and direct currency circulation according to plan.

In order to understand the situation as regards currency circulation in the Soviet Union, it is necessary to compare the variations in the amount of currency in circulation with the

development taking place in the fundamental branches of the national economy. In 1931 the amount of currency in circulation was over three times as great as in 1925-26, an increase about equal to that in industrial production, commodity turnover, and railway freight traffic. Whereas the amount of currency in circulation in the Soviet Union is at present about 78 per cent in excess of the pre-war amount, industrial production in 1931 is almost three times pre-war production, railway freight traffic is more than double the pre-war level, and already in 1930 the commodity turnover was three times as high as the pre-war turnover.

In the second half of 1929-30 there was a considerable emission of new currency. This was to a certain extent connected with the transition period of the credit reform. The situation aroused comment in bourgeois newspapers hostile to the Soviet Union, to the effect that Soviet currency was unstable. This charge was obviously of an anticipatory nature, as was proven by the "special quarter", October-December, 1930. In this period, in contrast to all previous years, the enormous seasonal grain-purchasing operations of more than two billion rubles were carried out without resorting to currency inflation. The faith of the population in Soviet currency is eloquently attested by the fact that in 1929-30 personal accounts in the savings banks amounted to 130 million rubles and in the first six months of 1931 to 121 million rubles.

The credit system like the budget is only one element, though an important one, in the Soviet financial system. The full synthetic expression of planning in Soviet finance is to be found in the unified financial plan. This includes and coordinates the separate financial plans, such as the budget, the credit plan, the finances of industry, transportation, the socialized sector of agriculture, etc. Fundamentally, the unified financial plan is the plan for the organization of accumulation and for financing all economic and cultural construction.

The unified financial plan fully reflects all the financial resources of all the branches of socialized economy and the financial institutions, as well as the channels into which these funds are

directed. The work of all the financial institutions of the country is coordinated. This renders it possible to draw up mutually coordinated sectional plans, which makes financial planning complete and effective.

Unlike the federal budget, the unified financial plan takes into consideration those resources which remain at the disposal of individual institutions and economic organizations, and plans the lines along which they are to be directed. As national economy becomes more fully socialized, the unified financial plan extends its sphere of operations and takes in every financial relation in the country. The main resources at the disposal of the unified financial plan consist of the accumulation provided by socialized economy. In 1931 this accumulation, after making the necessary deductions for depreciation, constituted over 38 per cent of the total budget (32 billion rubles) of the unified financial plan.

THE FIVE-YEAR PLAN AND ITS FULFILLMENT.

The Five-Year Plan, covering the period from 1928-29 to 1932-33, is the program for the social and technical reconstruction of Soviet national economy.

The Five-Year Plan provided total capital investments in the whole of national economy of 64.6 billion rubles, as compared with 26.5 billion rubles invested in the previous five years. This total included 16.4 billion rubles for industry; 23.2 billion rubles for agriculture; 10 billion rubles for transportation; and 3.1 billion rubles for electrification. The Plan estimated that, as a result of these investments, the total basic capital of the Soviet Union would rise from 70 billion rubles in 1927-28 to 128 billion rubles in 1932-33, i. e., an increase of 32 per cent. This means an increase in the basic capital of industry as a whole from 9.8 billion rubles to 29.1 billion rubles; for electric power stations an increase from 1 billion to 5 billion rubles; for railroad transportation an increase from 10 billion to 17 billion rubles; and for agriculture an increase from 28.7 billion to 38.9 billion rubles. Under the Five-Year Plan industrial production was scheduled to increase from 18.3 billion rubles in 1927-28 to 43.2 billion rubles in 1932-33; agricultural production to increase

over the same period from 16.7 billion rubles to 25.8 billion rubles; and railway freight traffic to increase from 88 billion to 163 billion ton-kilometers. The net production of the whole of national economy, i. e., the national income, was scheduled to increase from 24.4 billion rubles in 1927-28 to 49.7 billion rubles in 1932-33.

The Plan provided for the allocation of 78 per cent of the capital invested in industry to those branches of industry which produce producers' goods. This was estimated to result in an increase in output of these branches of industry of 230 per cent, as compared with an increase of 180 per cent in the output of state large-scale industry as a whole. With regard to electric power, the Plan provided for the construction of 42 regional electric power plants, including the Dnieper River hydro-electric power plant, the Svir River hydro-electric power plant, the Bobrikov power plant using Moscow coal, the Zuevsky power plant in the Donetz Basin, etc. The output of electric energy in 1932-33 was expected to total 22 billion kilowatt-hours as compared with 5 billion kilowatt-hours in 1927-28. In connection with iron and steel production new powerful metallurgical works were scheduled to be built, increasing the production of pig iron from 3.3 million tons in 1927-28 to 10 million tons in 1932-33. In the machine-building industry the Plan provided for the reconstruction of old plants and the building of a number of new plants. These include various automobile plants, the tractor plants at Stalingrad and in the Urals, the Sverdlov works for the construction of heavy machinery, the Rostov agricultural machinery plant, etc. Under the Five-Year Plan the share of the socialist sector in the gross output of the country was scheduled to increase as follows:

		1927/28	1932/33
Industry	from	80 %	to 92 %
Agriculture	„	2 %	„ 15 %
Retail trade	„	75 %	„ 91 %

The first two years of the Five-Year Plan have not only completely demonstrated its practicability, have not only proved that the Plan is a factor in directing the development of the

whole of national economy, but have shown that the high rates of development indicated in the Five-Year Plan are being surpassed. The extent of the fulfillment of the Plan during the first two years (1928-29 and 1929-30) is shown in the following table:

	Unit	Five-Year Plan schedules	Actual results	Per cent fulfillment
I. Capital investments (at prices of respective years)				
1. in the socialized sector	mill. rub.	12,653	13,762	108.8
2. in state large-scale industry	„ „	3,990	4,605	115.4
3. in agriculture	„ „	1,719	2,397	139.4
4, in transportation	„ „	2,504	2,688	107.3
II. Gross production of state large-scale industry (including the food-industry), at 1926-27 prices	„ „	29,337	30,456	103.8
1. Group A	„ „	12,476	13,764	110.3
2. Group B	„ „	16,861	16,692	99.0
III. Sown area (total)	hectares*	239.0	245.8	102.8
1. Grain	„	196.3	198.0	100.9
2. Cotton	„	2.4	2.6	108.4
3. Sugar-beet	„	1.7	1.8	105.9
IV. Marketable grain output	mill. met. tons**	17.34	18.53	107.0
V. Railway freight traffic	„	350.9	409.2	116.6.

* 1 hectare = 2.471 acres. ** 1 metric ton = 2,204.6 lbs.

A striking feature of these figures is the extent to which the schedules of the Five-Year Plan have been surpassed in heavy industry and in agriculture, especially as regards the area sown with industrial crops and as regards marketable grain.

The increase in all branches of national economy beyond the limits set by the Five-Year Plan found expression in a corresponding growth of the national income. In the ten years from 1921 to 1931 the national income of the Soviet Union increased almost 200 per cent. In 1921 it was 40 per cent of the 1913 income; at the end of the restoration period, 1926-27, the national income was already 102 per cent of the 1913 income;

while in 1930 the national income had risen to 156.3 per cent of the 1913 income.

The following figures indicate the rate of development during the reconstruction period: in 1929 the national income increased 8.4 per cent, in 1930 it increased 20.8 per cent, and in 1931, according to the program, it is scheduled to increase 39 per cent. The national income of pre-revolutionary Russia increased from 1900 to 1913 only by 40 per cent, i. e., at the rate of about 3 per cent a year. The national income of the United States has increased at the rate of from 4 to 5 per cent a year, and only during one five-year period did the rate of increase rise to 9 per cent a year.

In spite of the rapid rise in the population of the Soviet Union (an average annual increase of 3,500,000), the per capita income is showing a steady growth. In 1913 the per capita income was 100.4 rubles a year. At 1913 prices, the annual per capita income in 1927-28 was 101.1 rubles; in 1928-29 it had risen to 111.9 rubles: in 1929-30 to 126.5 rubles; and in 1930 to 137.5 rubles. The per capita income in 1930 was thus over 37 per cent higher than the 1913 level.

It should be kept in mind that the class structure of this income at present is entirely different from that prevailing in 1913, since the landowners, the big bourgeoisie, etc., have disappeared. If this is taken into consideration, it becomes obvious that, as far as the proletariat and the masses are concerned, the difference in the present per capita income as compared with the pre-revolutionary period is even greater than the difference indicated in the figures cited above. The social structure of the Soviet national income is strikingly indicated by the fact that already in 1926-27 the income of the urban and rural bourgeoisie represented only 3.5 per cent of the total national income. For purposes of comparison it should be observed that in the advanced capitalist countries unearned incomes constitute, even at a modest estimate, from 40 to 50 per cent of the national income, although the numerical proportion of the capitalist class to the total wage-earning population ranges from 2.6 per cent in Great Britain to 8.5 per cent in Germany.

The schedules of the Five-Year Plan with regard to the national

income have been surpassed. According to the Plan, the national income in 1928-29 was to have been 120.8 per cent of the 1913 income; actually it was 123.8 per cent. The estimate for 1929-30 was 139.8 per cent of the 1913 income; actually it was 143 per cent.

A noteworthy feature is the rapidly increasing portion of the Soviet national income which falls to the share of the socialized sector of national economy, i. e., to state and cooperative enterprises. In this respect actual achievements are far in excess of the schedules of the Five-Year Plan. The share of the various sectors in the national income (on the basis of 1926-27 prices) has been as follows:

	1928	1929	1930	1931
		(in per cent)		
State enterprises	43.9	48.2	52.4	56.2
Cooperative „	9.8	14.1	21.3	25.5
Total for socialized sector	53.7	62,3	73.7	81.7
Private sector	46.3	37.7	26.3	18.3
Total	100.—	100.—	100.—	100.—

Socialist forms of economy are developing at a rate considerably in excess of the estimates of the Five-Year Plan. By 1930 the socialized sector had already achieved a secure and absolute predominance in the national economy. The Soviet Union had entered the period of socialism. In 1931 the socialized sector became the dominating factor in agriculture, where the capitalist elements had been most strongly entrenched. By the end of 1931 the foundation of socialist economy will have been firmly laid. The following figures show the victorious march of socialization:

	1928	1929	1930	1931
		(in per cent)		
Basic capital	52.5	56.2	62.7	71.3
Gross output of industry (including "non-census")	84.4	89.5	94.3	97.6
Marketable output of agriculture	4.4	8.2	29.7	55.0
Retail trade turnover	78.0	88.6	94.4	97.7

These radical changes in the relation of class forces made it possible for the Sixth Congress of Soviets, which met in March, 1931, to declare that "in our country there is no longer any question as to the victory of socialism.... The victory of socialism in the U. S. S. R. is completely assured."

SUMMARY.

This is a summary of the first ten years of planned socialist economy in the U. S. S. R. The Soviet Union is rapidly carrying out its slogan of "overtaking and surpassing the leading capitalist countries in the shortest historical period". This slogan was given concrete form by the Sixth Congress of Soviets when it resolved to carry out in the present decade the slogan of overtaking and surpassing the leading capitalist countries in economic and technical matters. There is no question that at the present time the Soviet Union has surpassed the capitalist countries in the rate of economic development. Even before the crisis of 1929-1931, it was clear during the years following the world war that as regards production the capitalist countries were either "marking time" or else increasing production at a rate which was relatively very slow and becoming steadily slower. Even during the best years of its development capitalist economy never attained the speed which characterizes development in the Soviet Union at the present time. A comparison of the rates of increase (+) or decrease (—) in the general index of the physical volume of production for the leading countries during the past three years makes a very interesting study:

	1928	1929	1930
U. S. S. R.	+26.7	+24.8	+35.8
United States	+ 4.7	+ 6.3	—18.3
Great Britain	— 5.2	+ 7.9	—10.8
Germany	— 0.1	+ 1.8	—17.2
France	+16.6	+ 9.8	+ 0.6

The Soviet Union has surpassed the leading capitalist countries in respect of the index of the present level of industrial production as compared with the pre-war level. In Germany and Great Britain industrial production in 1930

was below the pre-war level, while in the Soviet Union it was more than double the 1913 figure. The Soviet index for 1930 far exceeded the French index and even surpassed the American index:

	1913 = 100
U.S.S.R.	238.3
United States	188.5
Great Britain	82.2
Germany	91.1
France	140.4

In 1931 the volume of industrial production in the Soviet Union will be three times as great as the pre-war volume.

The progress of Soviet economy has been so tremendous that the output of a number of the main branches of Soviet industry now exceeds the output in the leading European countries. This, for example, is the case with iron and coal. The Soviet output of pig iron scheduled for 1931 is larger than Great Britain's output in 1930 and is equal to 82.5 per cent of the German output in 1930. It should be taken into consideration that in capitalist countries in 1931 there has been a still further drop in pig-iron production.

In 1931 the Soviet Union surpasses France - which after the war developed an "American" tempo - in the consumption of iron and steel, in the production of coal, in the output of electric current, and in machine-building. The Soviet Union is already ahead of Great Britain as regards output of electric current.

At the present time the Soviet Union has the largest agricultural production of any country in the world. In 1931 the socialized sown area alone is more than 3 times as large as the sown area of Canada and is equal to more than one-half of the sown area of the United States. As regards mechanical motive power in agriculture, the Soviet Union occupies first place among all European countries.

The experience of the first two years indicates that the Five-Year Plan will be completed in four years; in some important branches of industry it has actually been completed in a still shorter period. Following the completion of the Five-Year Plan,

the Soviet Union will compete with Germany for second place in the list of the world's leading industrial countries.

During the next three or four years the Soviet Union will occupy first place in Europe in respect to the volume of industrial production, especially in respect to the production and consumption of textiles, the electrification of industry, the amount of mechanical power per worker, and the productivity of labor in industry. The last factor is of decisive importance.

"In the long run the productivity of labor is of the utmost importance, is decisive for the victory of the new social order. Capitalism created a productivity of labor unknown to serfdom. Capitalism can and will be finally defeated by the fact that socialism will create a new and much higher productivity of labor." (Lenin.)

What is the secret of all these successes? What are the causes of this tremendous speed, hitherto unknown in the history of mankind, in the economic, social, and cultural progress of the Soviet Union, in a country whose level of development lagged behind the level of the leading capitalist countries for many decades? All this is a result of planned socialist economy, the result of the new social order.

"None of the old classes, neither the feudal aristocracy nor the bourgeoisie, could carry out the task of liquidating the backwardness of our country. These classes were not only incapable of carrying out this task, but they could not even formulate the problem in anything like a satisfactory manner." (Stalin.)

The conversion of the working class into the absolute owner of all the means of production, and consequently the owner of the socialized output, has set free the tremendous creative forces and the productive energy of millions of workers. This, in turn, has converted labor from hired slavery, which it actually is for the overwhelming majority of the population in modern capitalist society, from toil for the sake of a mere subsistence, (while other millions of people are chronically unemployed and are doomed to poverty and starvation) into a thing of honor and glory, which is the new socialist attitude towards labor. This explains the labor enthusiasm of the masses, which has

been noted by all unbiased observers of Soviet life, an enthusiasm which expresses itself in socialist competitions, shock brigades, and the flood of inventions and proposals for rationalization submitted by the workers themselves.

The equality of men and women, which has been actually realized in all spheres, has led to a great increase in the number of active collaborators in the task of building up economic and cultural life. The complete elimination of national inequality has been an active factor in the development of tens of millions of people who were previously colonial pariahs, denied all economic and cultural improvement by the ruling class of the dominating nation. At the same time, the development of these peoples has resulted in the development of the natural wealth of vast regions.

The capitalist principle of economic activity, which subordinated the development of social production to the interests of private profit, has been abolished; it has been replaced by the socialist principle, based upon the maximum development of the productive forces of society in the interests of a systematic improvement in the well-being of the masses. This has liberated the social productive forces from the fetters of private property. It is now possible to distribute the productive forces effectively and rationally, taking into consideration the various economic regions, the grouping and combining of allied industries, the maximum size of the various enterprises, etc. In this respect the abolition of private property in land was of decisive importance, as it was likewise for the rational organization of agricultural production. The creation of large-scale agriculture, based on the collective principle and capable of applying the most rational methods of cultivation, has also made it possible to develop this branch of the national economy and to improve the material and cultural level of the agricultural population. Such improvement was beyond the powers of capitalist agriculture, bound down by rent and the relations of bondage and usury.

The planned socialist organization of economic life has released national economy from that tremendous waste in the sphere of production, circulation, and distribution, which is inherent in the capitalist system, liberating it from parasitism, speculation, and

fraud. Planned socialist economy has abolished the anarchy of capitalist production and the under-consumption which is indissolubly connected with it. Thus, planned socialist economy has done away with crises of over-production and remains unaffected by this great destructive force in modern society. Soviet economy has none of those market crises which are inevitable under capitalism. Planned socialist economy develops the productive forces for the purpose of increasing the prosperity of the masses, but at the same time it creates an unlimited demand which, in turn, stimulates production still further and opens a wide horizon for the growth of productive forces. Planned economy, which consciously directs social production, creates a new and mighty productive force.

The planned socialist economy of the Soviet Union has only passed through the first and the most complex stage of its development. It has met and continues to meet resistance, difficulties, and hindrances. Many difficulties have not yet been completely removed, both in the sphere of the immediate and complete satisfaction of the demands of the masses, whose cultural standard is rising with fabulous speed and whose requirements grow from year to year, and in the sphere of the acquirement of modern technical methods and rational organization. There continues, for instance, to be a shortage of skilled and fully reliable specialists.

But all these difficulties - which have arisen chiefly from the economic and cultural heritage which the Soviet Government took over from Tsarist Russia, complicated by the resistance of capitalist elements within the country and the aggressive hostility of the capitalist world - are being successfully vanquished by the victorious march of socialist construction. The cultural and technical backwardness of the country is being overcome at an unprecedented speed. The ground is being cut from under the feet of the hostile classes which have outlived their time. All these difficulties are difficulties of growth. The completion of the Five-Year Plan will create a basis for the national economy of the Soviet Union which will make it possible to advance at a still higher speed and to write a new and even more brilliant socialist page in the history of human society.

THE PLANNING AND DEVELOPMENT OF AGRICULTURE IN THE SOVIET UNION

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In contrast to the course of agricultural evolution in other countries, agriculture in the Soviet Union has in recent years entered a period of unusually rapid growth. Tens of millions of acres of new land have been put to use. There has been a great increase in the amount of chemical fertilizer and of farm implements and machinery, especially tractors, employed in agriculture. There has also been a considerable increase in the marketable output and income.

Agriculture in the Soviet Union, since the first years of the November Revolution, has been under the guidance of the central planning organs of the Soviet Government. The development of agriculture has been characterized by a continual strengthening of socialist forms of production at the expense of petty peasant economy.

The development of collectivization to a point where there is complete collectivization in a number of regions, together with the rapid increase in the number of state farms, has put the method of agricultural planning on a solid basis. The direct guidance of agricultural undertakings and their rational distribution throughout the country have created ideal conditions for the application of science to agriculture. By these means this branch of national economy, which had been the most backward, has been raised to the level of the requirements of modern science. The remarkable prediction made by Engels that "agriculture, which is now unable to adopt fully tested improvements and scientific methods owing to the limitations set up by private property and the small area of private farms, will also enter a period of prosperity and will provide society with sufficient products", has been verified.

The Soviet Union was a country of extremely small peasant farms. In 1927 there were 24,800,000 farms in the Soviet Union, having an average area under cultivation of 11 acres. In 1931 226,000 collective farms sowed 219,583,000 acres. The average area of these big socialized farms was 953 acres. This means

that the area of socialized agriculture in the Soviet Union is three or four times as large as the sown area of such countries as Canada, France, and Germany, and is equal to more than half the total cultivated area of the United States. We can only appreciate the significance of the process of voluntary consolidation of small peasant farms into big collective farms and the growth of state farms in the Soviet Union, if we take into consideration the fact that in the United States during the 25 years from 1900 to 1925 the ratio of the number of farms with an area of over 500 acres to the total number of farms increased from 2.6 per cent to 3.2 per cent, while the ratio of the area of these farms to the total sown area increased from 31.7 per cent to 34.8 per cent. In Germany, during the period from 1907 to 1925, the ratio of the number of farms of over 500 acres to the total number of farms declined from 16.5 per cent to 15.6 per cent.

Planned socialist development of agriculture has given rise to a new type of socialized agricultural production and to the development of large socialized farms on a scale and with a speed hitherto unknown. This development has not been based upon the ruin and expropriation of the small peasants but upon the improvement of their standard of living and their economic activity. It has involved a considerable growth in the productive forces of agriculture and its radical social and technical reconstruction.

The cultivated area of the Soviet Union in the four years from 1927 to 1931 increased by 56,810,000 acres. During the same period the cultivated area of the United States decreased by six million acres. The sown area of the entire world outside the Soviet Union decreased from 900,500,000 acres in 1927-28 to 886,500,000 acres in 1930-31. What development of world agriculture there has been in the last four years has been based entirely upon the development of agriculture in the Soviet Union. In order to appreciate the significance of this growth of the cultivated area in the Soviet Union, it should be recalled that during the 25 years from 1900 to 1925 the sown area of the United States increased by 55,000,000 acres. In other words, the sown area of the United States increased in 25 years by

an amount less than the increase in sown area in the Soviet Union in five years.

The rate of development of the production of industrial crops in the Soviet Union is even more striking. The area sown with cotton in 1913 was 1,752,500 acres; by 1921 it had fallen to 300,000 acres. By 1927 the pre-war level was surpassed, the sown area totalling 1,854,970 acres. In 1931 this area was trebled and reached 5,821,790 acres. The area under sugar beets in 1913 was 1,620,080 acres. In 1921, as a result of war and intervention, it fell to less than half of its pre-war figure - 538,460 acres. By 1927 the area under sugar beets reached the pre-war level - 1,642,550 acres. In 1931 the area sown with sugar beets was more than double this amount, totalling 3,383,900 acres. The principal oil-bearing plant, the sunflower, in 1913 had a sown area of 2,247,700 acres. By 1931 the sown area was 11,347,180 acres.

Mention should also be made of the rapid growth of the area sown in the Soviet Union with new crops, such as soy beans, kendyr, and kenaf. There has also been an enormous increase in the area sown with corn, rice, etc. Only in a country that has a planned socialist economy is it possible to raise the sown area of soy beans from 178,750 acres to 1,125,000 acres in a single year, and to plant 265,000 acres with kenaf and kendyr.

Industrialization assures the technical reequipment of agriculture in the Soviet Union and a great increase in the amount of modern machinery employed in agriculture. On October 1, 1924, there were 2,560 tractors (35,600 hp.) in use on the farms of the Soviet Union. In the spring of 1931 the Soviet Union already possessed 110,000 tractors, and is now second only to the United States as regards the number of tractors employed in agriculture. By January 1, 1933, the tractor park in the Soviet Union is expected to total 3,057,000 hp.

The value of all agricultural machinery (including wagons, hand tools, etc.) amounted at the end of 1927, to 2,679 million rubles, and, at the end of 1930, to 3,397 million rubles. Hence, the value of agricultural machinery increased by 718 million rubles, or 27 per cent, in three years. In 1931 investments in implements and buildings amounted to 1,330 million rubles; de-

preciation for the year to 606 million rubles. The increase in value for this year alone is thus equal to the total increase for the preceding three years.

The value of the machinery and tractors used in agriculture increased by 46 per cent in the three years from 1927 to 1930, and at the end of 1930 totalled 1,610 million rubles. The value of the additional tractors, machinery, and implements scheduled to be put into operation in agriculture this year is 855 million rubles, that is, more than half the value of all the tractors, machinery, and implements used in agriculture at the beginning of the year. The total value of the tractors, machinery, electrical equipment, repair shops, and agricultural industrial plants to be provided for agriculture in 1931 is in excess of 1,300 million rubles. This is roughly equal to the value of the engines, motors, lathes, etc. which were received by industry in 1930.

The amount of fertilizer which was used increased from 666,000 metric tons in 1930 to 2,427,000 tons in 1931. In 1931 agriculture will receive 220,000 tons of alkali fertilizer from the Solikamsk alkali industry.

The industrial assistance given to agriculture has made a great change in the type of traction power. In 1927, 98.9 per cent of agricultural work was performed by animals. In 1931 the proportion performed by animals has been reduced to 74.4 per cent, while the work done by tractors has risen to 21.9 per cent and that by automobiles to 3.7 per cent.

The actual development of agriculture during the three years of the Five-Year Plan shows that almost all the main figures of the Plan have been fulfilled in three years or less. According to the figures of the Five-Year Plan, the sown area in 1932-33 in the collective farms was to total 51,500,000 acres, and 20 per cent of the peasant farms were to have been organized into collective farms. But already in the spring of 1931 the sown area of the collectives had reached 196,250,000 acres, and 57.1 per cent of all the peasant farms in the country had been organized into collective farms. The Five-Year Plan provided for 11,000,000 acres of sown area on the state farms in 1932-33; by the spring of 1931 a total of 26,250,000 acres had already been sown. The successes of industrialization and the surpassing

of the figures of the Five-Year Plan in industry made available a larger supply of tractors, agricultural machinery, and implements than had been scheduled in the Plan. The Five-Year Plan provided for a total tractor park in the spring of 1932-33 of 1,307,000 hp.; in 1931 a total of 1,619,000 hp. was already in use. The Five-Year Plan provided for 1,000 machine-tractor stations by the end of 1933; in 1931 the number had already reached 1,400 with a total horsepower of 700,000.

Owing to the fact that the Plan - as regards collectivization, organization of state farms, and the supply of tractors and machinery - has been considerably surpassed, the Plan has likewise been exceeded as regards the development of certain branches of agriculture. In the current year the area under cotton is 45 per cent greater than that scheduled for the last year of the Five-Year Plan, the area under flax is 28 per cent greater, and the area under sugar beets is 25 per cent greater.

Mention should be made of the Five-Year Plan for the development of cattle-raising. The struggle of the kulaks against the rapid growth of the collectivization movement led last year to a considerable reduction in the number of cattle. Moreover, socialized cattle-raising was only recently begun on a large scale. This decrease in the number of live-stock will be compensated for during the next few years by an increase in the yield of milk and the amount of meat per animal on the state and collective farms.

These are the first results of a planned socialist development of agricultural production. These are the results of overcoming the tendency toward spontaneous economic development which was attempting to drag the national economy of the Soviet Union along the capitalist path of development. These are the results of the widespread development of state farms and of the mass collectivization which was linked up with the elimination of the remnants of the capitalist classes in the Soviet Union. In order that we may the more properly appraise the results of planned direction of agriculture in the Soviet Union, we shall deal with the trends of agricultural development both before and after the November Revolution.

Agriculture in pre-revolutionary Russia was characterized by the concentration of a great portion of the land in the hands of wealthy landowners, by the prevalence of extremely small farms among the peasants, and, as a result of the foregoing, by a serf-like dependence of the mass of peasantry upon the landowners. If we divide the farms of pre-revolutionary Russia into four groups according to their size, we find that the relation between these groups, according to data contained in the 1905 census, was as follows:

	Number of farms (in millions)	Area of land (in million dessiatins)*	Average area per farm (dessiatins)
1. Poor peasants, crushed by serf-like exploitation	10.5	75.0	7.0
2. Middle peasants	1.0	15.0	15.0
3. Bourgeois peasant and capitalist farms	1.5	70.0	46.7
4. Semi-feudal estates	0.03	70.0	2,333.0

* 1 dessiatin = 2.72 acres.

The overwhelming majority of the peasant farms of that period were tilled by poor peasants, who were crushed by the exploitation of the landlords and did not even possess means sufficient to maintain properly their physical existence. The natural consequence was the chronic condition of ruin and undernourishment of the poor peasants in Russia, as evidenced by physical degeneration and the increasing number of rejections from the army on grounds of physical unfitness. Thus, according to official data for 50 provinces of European Russia, the percentage of rejections and exemptions from military service increased from year to year as follows:

1874—78	11.2 per cent
1879—83	14.9 „ „
1884—88	16.9 „ „
1889—93	17.9 „ „
1894—98	17.6 „ „
1899—1902	22.1 „ „

Thus, the transition of agriculture in pre-revolutionary Russia

from a primitive type of economy, producing only for village consumption, to farming for the market was a process accompanied by the pauperization of the great mass of the rural population, by their ruin and expulsion from agricultural production.

The inherent conflict of interests arising from the ruin of the mass of peasantry, the capitalist development of agricultural production, and the domination exercised by the big landowners over the land, the basic means of agricultural production, constituted the main cause of the revolution of 1905 and likewise one of the most important reasons for the revolutionary outbreak of 1917. Although the 1905 revolution was crushed by the punitive expeditions of the Tsarist troops and by mass executions, the Tsarist Government was compelled by the so-called "Stolypin laws", to stimulate the development of agriculture along commercial and capitalist lines, at an increased pace. But, inasmuch as the political power and the resources and profits still remained in the hands of the ruling landowning class, these attempts could not provide sufficiently favorable conditions to overcome the conflict of interests between landowners and peasants. This conflict was merely made more acute by the Stolypin reform, despite the fact that the Tsarist Government tried to win the support of the upper strata of the village by enabling them to acquire additional land through the plundering of the communal lands. The outbreak of the 1917 Revolution, hastened by the war, led to the overthrow of the Tsarist power and to the overthrow of the capitalist class, which had attempted to seize power after the March Revolution.

The victory of the November Revolution brought about the downfall of the large landowners and the nationalization of the land. It decreased the holdings of the upper strata of the village, and gave considerable amounts of land both to the poor and middle peasants. By way of illustration, let us take the results of the agrarian revolution in the Ukraine.

The redistribution of land is indicated in the following table:

	Prior to the Revolution	Confiscated	After the Revolution	Increase or Decrease	Per cent Change
	(in million dessiatins)				
Poor and middle peasant farms	20.0	—	34.5	+14.5	+ 72.5
Kulak (rich peasant) farms and farms owned by non-peasant bourgeois	8.6	6.8	1.8	— 6.8	— 79.0
Estates and church land	12.1	12.1	—	—12.1	—100.0
City land	0.6	0.3	0.3	— 0.3	— 50.0
State and communal land	—	—	4.7	+ 4.7	—
Total	41.3	19.2	41.3	—	—

Before the revolution the poor and middle peasants in the Ukraine owned less than half of the land, while the kulaks and non-peasant bourgeois owned 20 per cent and the big landowners 30 per cent of all the land. The revolution brought about a sharp change in these relations. It completely eliminated the large landed estates, left the kulaks only about 5 per cent of the land, and handed over 83 per cent of the total land area to the poor and middle peasants. The victory of the November Revolution meant the real liberation of the poor and middle peasants from the exploitation of the big landowners. It increased considerably their land holdings, and at the same time sharply reduced the burden of taxation by means of which the landowners' government had additionally exploited these sections of the rural population. The middle peasant became the central figure in post-revolutionary agriculture.

It was quite obvious even in the first few years after the revolution that, if small-scale production in agriculture was continued for a long time, it would be impossible to reconstruct this most backward branch of national economy or to bring about any marked improvement in the living conditions of the poorer peantry. Lenin considered it necessary to "give all possible support to the transition from small-scale peasant economy to large-scale socialized pro-

duction", so that "agriculture, the most backward branch of production, may advance along new lines, may be reconstructed and converted from an occupation carried on by the primitive methods of the past into an industry based upon science and technique". Such a transition, however, called for the development of industry to a point where it could supply agriculture with tractors, modern machinery, and electrical equipment.

The guiding principle of Marxist-Leninist planning was to direct agriculture along a path which would lead to and guarantee the development of socialized production (state farms and collective farms), restrict and displace kulak production, and, at the same time, raise the standard of living of the poor and middle peasants, in this way helping them to appreciate the advantages of socialized agriculture. The plans provided for a series of measures to be carried out each year for the purpose of organizing and facilitating the transition from small-scale agriculture, which prevailed at that time in the U. S. S. R., to socialized agriculture. In contrast to this Leninist plan for the socialist reconstruction of agriculture, certain economists, such as Kondratiev and Oganovsky, put forward a different plan for the development of agriculture. Their plan was based on their disbelief in the possibility of the victory of socialism in agriculture, and provided for measures encouraging the capitalist development of agriculture. Instead of organized planning of agricultural development, their plan was based upon the spontaneous development of small-scale agriculture. They proposed to submit to the laws of this development rather than to guide the development of small-scale farming to socialized farming.

These two plans inevitably had to come into sharp conflict both theoretically and practically.* The victory of the Leninist plan of socialist development of agriculture enables us to obtain a sufficiently clear view of the policy of the Soviet Government during the so-called "restoration period" of 1921-1926, when the

* It is now known that the authors of this bourgeois plan for the restoration of agriculture went over to active struggle against the plan of socialist reconstruction at the very time when the peasant masses had become convinced of the advantages of collective farming and were joining the collective farms in millions. These authors joined the ranks of a counter-revolutionary organization of wreckers.

development of market relations in the village caused some economists to speak of the reestablishment of capitalism in the village.

The restoration period was characterized by the predominance of small peasant farms in the agriculture of the Soviet Union. The Soviet system of government created the necessary prerequisites for raising the economic level of the poor peasantry rather than for their wholesale ruination. It led to a fairly rapid restoration of agriculture (including stock-raising), which had been almost destroyed by the war, blockade, and famine.

It should be noted that the authors of the bourgeois plan for the restoration of agriculture in the Soviet Union did not realize the extent to which the small farms had been affected by the revolution, even in the period when they were developing as individual farms. The plan of Kondrativ estimated that the cultivated area in 1928 would be 265 million acres, but in 1926 it had already reached this figure, and by 1928 it had reached 274 million acres. According to Kondratiev, the number of cattle in 1928 was expected to total 74 million. In reality this level was exceeded in 1926, when the number of cattle totalled 75 million, while in 1928 there were more than 79 million head of cattle in the Soviet Union.

The rapid restoration of agriculture in the U. S. S. R. was accompanied by an improvement in the living conditions of the agricultural population. According to data of the Central Statistical Bureau, the consumption of meat by the rural population in 1925 exceeded the pre-war consumption by one-third. During the following years there was a constant increase in the consumption of meat and fats by the rural population as can be seen from the following table which shows the annual per capita consumption:

Years	Kilograms	Per cent of 1924—25
1924—25	16.05	100.0
1925—26	16.54	103.1
1926—27	18.29	114.0
1927—28	18.71	116.6
1928—29	22.41	139.6

The great improvement in the living conditions of the rural population led to a sharp decline in the death rate after the revolution, especially in the infant mortality rate. The death rate in rural districts amounted to 28.6 per 1.000 persons in 1911-1913; to 21.7 in 1926; to 21.8 in 1927, and to 18.7 in 1928. In 1911-1913, in European Russia, the infant mortality rate (for infants up to one year of age) was 266 per 1.000. In 1926 the infant mortality rate among the rural population was 174, and in 1928 it was 156.

The development of production for market by small producers inevitably leads to class differentiations among them and to the growth of a capitalistic group. A peculiar feature of the Soviet economic system is evidenced by the fact that during the period when small production in agriculture predominated the growth of the kulaks as a class was accompanied by the much more intensive economic growth of the poor peasants. They passed into the ranks of the independent producers, thus strengthening the class of middle peasantry. This feature of the class differentiation in the Soviet village is the reverse of what takes place under capitalist conditions. Under the latter, the growth of market production leads to the enrichment of the higher groups and the ruin of the lower groups.

This period of small-scale agriculture, however, clearly exposed the limited productive possibilities of the small farms. The more complicated agricultural machinery was possessed only by a small group of farms. In 1927 the number of farms in the Soviet Union possessing their own seed-sorting machines represented 11.6 per cent of the total; the number having seed drills, 3.7 per cent; those with harvesters, 6.2 per cent; and those with threshing machines, 4.3 per cent. The great bulk of the peasants were compelled either to limit themselves to the most primitive implements or to hire agricultural machinery.

The extensive development of the cooperative movement (in 1929 about 80 per cent of the rural population belonged to the consumers' cooperatives and 45 per cent of the total number of households belonged to the agricultural cooperatives) caused the peasant masses to realize the considerable increase in the pro-

ductivity of labor which resulted from collective production and the use of modern machine methods. The financial assistance in the form of credit granted by the Soviet Government to all cooperative societies, especially to collective farms, made the transition much easier. All these factors, combined with the growing solidarity and organization of the poor and middle peasants, who carried on a determined struggle against the attempts of the kulaks to organize a "grain strike", led to a more rapid and intensive development of collective farms.

On June 1st, 1927, collective farms embraced 195,000 house holds, or only 0.8 per cent of the total number of peasant households; on June 1, 1928, 417,000 households, or 1.7 per cent of the total; on June 1, 1929, over 1,000,000 households, or 3.9 per cent; on July 1, 1930, over 6,000,000 households, or 24.6 per cent; on July 20, 1931, 13,700,000 households, or 57.1 per cent. On June 1, 1927, the sown area of the collective farms totalled 1,872,500 acres; on June 1, 1928, 3,417,500 acres; on June 1, 1929, 10,320,000 acres; on June 1, 1930, 96,750,000 acres; on June 1, 1931, 196,250,000 acres.

The fundamental cause of this tremendous growth in the collectivization of poor and middle farms in the Soviet Union was the obvious superiority of large-scale collective farming disclosed during the first few years of the organization of large collective farms. Collectivization involved the elimination of boundary strips and the formation of large land areas, which enabled the peasants to make better use of their means of production and to apply machine methods more advantageously. The nationalization of land provided the indispensable basis for the transformation of the millions of small strips of land, constituting the peasant holdings which entered into the collective farms, into large tracts of land organized as collective farms in conformity with the local topography, with the nature of the soil, and with the technical methods used.

The uniting of the small peasant holdings into big collective farms resulted in a great increase in the productivity of labor. The sown area per able-bodied member of a collective farm was one hectare more than the area cultivated per able-bodied man

on the small peasant holdings prior to their entrance into the collective farms. In the Ukraine the increase in sown area was 31.6 per cent: in the Middle Volga Region 73.1 per cent: in the Central Black Soil Region 23.0 per cent: in the Lower Volga Region 78 per cent: and in the Northern Caucasus 50 per cent. Draft cattle, which on the small peasant holdings had never been fully employed, were utilized to a fuller extent on the collective farms. In the Ukraine the effective employment of draft cattle increased by 24.1 per cent; in the Middle Volga Region by 30 per cent; in the Lower Volga Region by 25.2 per cent; and in the Northern Caucasus by 34.6 per cent.

The significant increase in the productive possibilities of the farms united in collectives is evidenced not only in the rate of growth of the collective farms themselves, but also in the decided improvement in the well-being of their members. The extent to which such improvement has taken place may be judged by a comparison of the annual per capita consumption of the main food products by the various peasant groups:

Product	Region	Poor Peasants	Middle Peasants	Kulaks	Collective Artels	Members of Farms Communes
		in kilograms				
Meat and fats	Northern Caucasus	12.2	16.5	20.3	20.9	32.1
	Volga Region	5.4	13.4	24.4	15.6	27.9
	Southwest Siberia	11.6	25.0	36.1	38.9	42.4
Milk and butter (in terms of milk)	Northern Caucasus	69.1	142.9	225.9	235.0	178.6
	Volga Region	159.7	182.5	206.9	204.0	269.0
Grain Products	Northern Caucasus	199.4	227.8	245.1	238.3	222.0
	Volga Region	203.8	228.3	229.9	220.5	208.2

The greatest rôle in demonstrating the advantages of large-scale socialist production has been played by the state farms, the so-called "sovkhozi". The Soviet Government boldly carried over its experience in large-scale industrial production into agriculture. The Zernotrest (Grain Trust) has 175 farms occupying an area of 36.000.000 acres. During the present year it has sown well over 12.500.000 acres. The Skotovod (Cattle-breeding

Trust) has 200 farms covering an area of 77,500,000 acres, and has 2,800,000 head of cattle. The Svinovod (Hog-breeding Trust) has 520 farms and 1,000,000 hogs. The Ovtsevod (Sheep-breeding Trust) has 130 farms covering an area of 36,500,000 acres and 4,400,000 head of sheep. The Milk and Butter Trust has 50 farms with 110,000 cows. The Cotton Trust has 44 farms with a total sown area of 800,000 acres. Such are the sizes of the principal agricultural trusts in charge of state farms.

The state farms are being developed along the following lines: the greatest possible specialization, production on the largest possible scale, and the highest degree of mechanization. The grain farms are developing on the basis of complete mechanization, and, according to the Plan, all the other state farms must work toward this goal.

One of the most important developments in the collective farm movement was the creation of machine-tractor stations. The first trial of this type of organization was made on the Shevchenko state farm in the Ukraine. The experiment was so successful that the system was widely adopted and received the support of the Soviet Government. Machine-tractor stations, which are centers for all the mechanical traction and technical equipment necessary for the efficient cultivation of the collective farms (which have only their own horse traction power), constitute the basic form in which the working class gives industrial assistance to the collective farms.

The collective farms on territory served by a machine-tractor station enter into contracts with the latter regarding the conditions under which the machine-tractor station will help cultivate the fields of the collective farms. The agricultural aid rendered by the machine-tractor stations, the combination of tractor and horse power, and the utilization of the peasants' means of production to the utmost, have greatly increased the productivity of labor on the collective farms served by these stations. Last spring, machine-tractor stations having 700,000 hp. in tractors and 870,000 collectivized horses at first fulfilled the sowing plan of 45,000,000 acres and then surpassed it, raising the figure to 50,000,000 acres. The output of grain on the collec-

tive farms that were served by machine-tractor stations constituted 27 per cent of the total grain output of all collective farms.

Machine-tractor stations result in increased yields due to the improved cultivation of the soil and to the agricultural aid rendered the farms. This, together with the growth in sown area, greatly increases the income of the collective farms.

The socialization of stock-raising on collective farms has brought to the front a new form of farm devoted to stock-raising for the market, namely, collective farms specializing in the raising of cattle. This form of large-scale socialized cattle-breeding is based upon rational feeding and the proper care of cattle, and is expected to produce a considerable quantity of animal products for the market. At the present time collective dairy farms have a total of about 1,000,000 cows. According to the Plan, this number is to be increased to 1,500,000. The hog-raising collective farms had a total of 635,000 pigs on July 1, 1931. In addition to these branches of live-stock farms, here are also being organized collective farms specializing in the raising of poultry sheep, rabbits, etc.

One of the characteristic features of Soviet economic life during the present period is the absence of unemployment. This important fact and factor in the economics of the Soviet Union is closely bound up with the social changes which have taken place in the Soviet village. Under a capitalist scheme of economy the formation of a reserve army of labor is to a considerable extent based upon the ruination of the peasants whereby they are converted from small owners into workers who maintain themselves by selling their labor power. Until very recently, owing to the prevalence of small-scale production, there existed elements of capitalism side by side with socialist elements in the Soviet rural districts. This gave rise to a certain amount of surplus labor power, which sought an outlet in the towns.

This was due to the fact that the Soviet Union inherited from Tsarist Russia an enormous number of poor farms which did not even possess the minimum quantity of the necessary means of production. The revolution gave the peasants land, and

created favorable conditions for improving their standard of living. It relieved a considerable proportion of the village population (35 per cent) from the burden of taxation, and established special funds for providing credit and agricultural aid to these poor sections of the rural population. As a result of these measures, the share taken by poor peasants and their families in the total population fell from 50 per cent before the revolution to 26 per cent in 1924-25 and to 22 per cent in 1926-27. But the most radical means of overcoming the propertyless condition of this section was collectivization. The poor peasants were the most active in the organization of collective farms, and the bulk of the members of the collective farms in the first period were recruited from among the poor peasants.

The great improvement in the living conditions of the poor peasants which resulted from the organization of collective farms, together with the fact that the mass of the rural population, including the middle peasants, had entered the path of collectivization, isolated the remnants of the capitalist class in the village, the kulaks, and took away their economic strength. The collective farm movement encountered the desperate resistance of the kulaks, who tried to disrupt the movement from within and from without. The destruction of the economic base of kulak exploitation and the measures taken to combat the attempts of the kulaks to weaken the collective farm movement led to the destruction of the economic influence of the kulaks in the districts of mass collectivization.

All this brought about a radical change in the social relations within the village. Before the development of mass collectivization the central figure in the Soviet village was the middle peasant. Today the central figure is the collective farmer. In 1928 the number of poor and middle peasants totalled 105,000,000. In 1931 the poor and middle peasants still carrying on individual farming number about 50,000,000, while the population of the collective farms has grown from 1,800,000 in 1928 to 60,000,000 in 1931. During these three years the kulak population has declined from 5,400,000 to 1,600,000. This change in the relationship of classes, which reflects the social change which has taken place in the village, has been accompanied by a great in-

crease in the income of the members of collective farms and of the agricultural proletariat (the workers employed by state farms and machine-tractor stations).

	1928	1929	1930	1931	1928	1929	1930	1931
	Total Income (in billion rubles)				(Per cent of 1928)			
	15.5	15.0	19.6	22.1	100	96.8	126.5	142.6
	Income Per Capita:							
	(in rubles)				(per cent of 1928)			
Agric. Proletariat	122	140	175	234	100	114.8	143.4	191.8
Members of Collective farms	145	153	210	234	100	105.5	144.8	161.4
Indiv. peasants	131	124	161	161	100	94.7	122.9	122.9
Kulaks	259	270	181	181	100	104.2	69.9	69.9

In this table we note first of all the steady increase in the income of the agricultural population, especially in that of the agricultural proletariat. In place of the farm laborers, the most oppressed section of the rural population who were mercilessly exploited by the kulaks, there has arisen - on the basis of the tremendous growth of socialized and mechanized agriculture (including both plant and animal husbandry) - a new rural stratum, the agricultural proletariat of the socialized farms. The living standard of the workers in this new stratum contrasts sharply with that of the farm laborers. The length of their working day has been reduced to the level of that enjoyed by industrial workers. There has been an enormous increase in literacy and technical skill among them, their wages have risen considerably, and their living conditions have materially improved. These are the achievements of the agricultural proletariat under socialism.

The income of the members of collective farms is also increasing New technical equipment and the steps taken toward the better organization of labor on the collective farms have laid the foundation for an increase in the productivity of labor and in the income of the collective farm members.

The kulaks were the only section of the population who suffered a loss in income. This was due to the determined attack made

upon them in those districts where complete collectivization had not brought about the absolute destruction of their economic importance.

The rise of state and collective farms has converted the Soviet Union into a country of large-scale agriculture. This considerably increases the rôle of planning in agriculture. From the very first day of its existence every state and collective farm is faced with the task of working according to a plan. It must utilize all its machinery and implements in a rational and efficient manner, in order to bring about an increase in the productivity of labor and a considerable reduction in the cost of production.

In the past the work of individual farms was determined by the fluctuations of market prices. During the past few years fluctuations in market prices have been reduced to the minimum by the system of crop contracting. The contracts set the quantity of products to be handed over to the Government, and indicate the quality and price. In place of prices being controlled by market fluctuations, control is now exerted in the socialized sector by the fulfillment of the production plan and the calculation of expenses and production costs in a business-like manner. This rational control by society over the processes of production and the labor of the producers makes it possible to produce without waiting for the impetus of price changes, which formerly often swallowed up the entire income and resulted in bankruptcy. In addition, such a system of social control and regulation of production, supported by the socialist competitions participated in by the producers and the latter's personal interest in the efficiency of their labor, affords great possibilities for increasing the productivity of labor on state and collective farms. The recently published summary of a special census taken this spring of the collective farms in the Middle Volga Region shows that in this Region in 35 per cent of the collective farms, socialist competitions were in progress during the spring sowing campaign and that 38.5 per cent of the collective farms had shock brigaders in their ranks. These latter are workers who have already adopted the new attitude toward labor, whereby labor

is transformed "from the shameful and heavy burden it was once considered to be into a thing of honor, and glory" (Stalin). As the result of the development of these new forms of labor, the Middle Volga Region was the first to complete its sowing plan this year.

Agricultural planning has become a means of concrete guidance for the development of agriculture. According to the special census referred to above, the sowing plan adopted by the regional administration was 10,437,500 acres. When the collective farms considered the plan as applied to their farms, they adopted the regional plan without alterations in 77.3 per cent of all the collective farms, increased the tasks set in 15.6 per cent, and reduced the tasks assigned in only 7.1 per cent. As a result, the area to be sown was raised by the "counter-plans" of the collective farms to 10,723,750 acres, or an increase of 2.7 per cent over the original plan.

Planning is, in addition, a weapon in the struggle to lower production costs and reduce expenses. The organization of state and collective farms has resulted in a considerable reduction in the cost of agricultural production. Investigation of the budgets of a number of districts confirms this. The cost of production of winter wheat in the Northern Caucasus in 1926-27 was 4.6 rubles per centner on individual peasant farms and 2.9 rubles per centner on collective farms. The cost of production of rye on individual peasant farms was 4.3 rubles per centner, while on the big collective farms it was only 2.0 rubles. We get the same picture of reduced costs, if we compare state farms with individual peasant farms.

Agricultural planning is the basis for a rational geographical allocation and specialization of crops. The allocation of agricultural crops formerly had no rational basis. Land which was fully suitable for highly profitable industrial crops, in view of special climatic conditions, was used for grain production. The plan for the specialization of agricultural production has in mind the allocation of the various crops on a scientific basis, so that everywhere the most profitable crops and the most valuable branches of agriculture, from the social economic point of view, will be rationally introduced. The allocation and specialization

of state farms and machine-tractor stations depend primarily upon the plan of the allocation of agricultural crops.

The plan for the socialist development of the Soviet Union and of the agriculture of the country is now being put into effect with the maximum of energy. The enthusiasm and determination of the toiling masses is giving full effect to the creative guidance of the proletariat, and is emphasizing from day to day the enormous advantages of the socialist system. Nowhere are these advantages so obvious as in agriculture. Millions of toiling peasants have broken away from ancient tradition and from the limitations of small-scale production. Small-scale production has been superceded by large-scale production, and individual peasant farms by large collective farms. Reliance on the vagaries of the market has been replaced by planned, scientific guidance.

Planning operates as a tremendous lever for the uplifting of agriculture, for the elimination of the contradictions between town and village, and for the creation of coordinated, highly efficient, technically and socially uniform production both in industry and agriculture. This is the historical significance of planned socialist development of agriculture in the Soviet Union.

LABOR IN SOVIET PLANNED ECONOMY

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In submitting this paper on labor conditions and the nature of labor relations in the Union of Soviet Socialist Republics, I consider it unnecessary to deal with those historical events which led to the victory of the working class in so vast an area of the earth's surface, and which have made it possible for the Soviet Union to play an increasingly important role in the general scheme of world economy. Nor is it within the scope of this paper to outline the historic tasks which confront the proletariat of the Soviet Union at the present time, particularly as a result of the general economic and financial crisis in which the capitalist countries are increasingly involved.

This paper will confine itself to an exposition of those features which are most characteristic of the social system evolving in the Soviet Union. It will analyze these features concretely. A peculiarity of the Soviet type of economy is its high rate of development. Once our industry had been restored to its former level, our working class was confronted with the question of the rates of development to be maintained. It had to solve the problem of increasing the national income and expanding the army of producers by placing our entire economic system on a solid basis of modern technique.

The Soviet economic system is developing at a rate utterly beyond the reach of the capitalist system, because its development is free of the anarchical features of capitalism and does not contain within itself the antagonisms peculiar to capitalism. The Soviet Union finds it possible, steadily and progressively, to accelerate the speed at which it is moving forward and to carry out its program of overtaking and surpassing the advanced capitalist countries, in order to produce the conditions necessary for bettering the lives of the toilers. Once we have taken the road of rationalization based on the advance of modern technique, it becomes our basic task to effect further rationalization. We need not fear that the labor power thus set free cannot be used elsewhere for productive labor; on the contrary, the work of new construction that is proceeding on such an enormous

scale is drawing fresh armies of producers into the process of social labor. Moreover, we can effect a considerable reduction in the working day, raise the workers' living standards, and utilize the surplus product obtained as the result of rationalization for the purpose of expanding production and increasing the consuming power of the masses of the population.

Planning in the field of labor involves the following problems: meeting the requirements of agriculture for various kinds of skilled labor now needed as a result of the industrialization of agriculture; finding ways and means for keeping track of all the surplus labor power in agriculture set free as a result of mechanization, and distributing this surplus labor among the various branches, trades, and regions of industry; training skilled workers and engineers; qualifying workers for promotion from less skilled to more skilled work; specialized training of workers in accordance with the equipment they have to handle and the work they have to perform: regulating wages for the various categories of labor; increasing labor productivity and improving technique, in order to better the general welfare of the workers; and elaborating and carrying out a program of health and safety measures.

It is impossible to understand labor conditions in the Soviet Union, if Soviet economy is considered merely as planned economy. The decisive factor conditioning the rapid rate of Soviet economic growth is the powerful development of socialist forms of labor organization. These forms are based upon the fact that the workers are conscious that they toil only for themselves and that they are not only producers but also organizers of production. In a relatively short space of time we have passed through several stages in this field: from individual socialist competition to the shock brigades, to production collectives and inter-departmental brigades, which, in the course of their development, constantly create new forms. These socialist forms of labor organization are producing, in Stalin's words, "a radical change in man's attitude toward labor, transforming labor from the shameful and heavy burden it was once considered to be into a thing of honor and glory".

The most important problem of socialist competition has been to get the industrial-financial plan individualized for every department, every worker, every machine in the factory. It was necessary not only that the working class as a whole should direct industry but that every individual worker should understand his part in the total scheme of production and the connection between his own work and that of other workers in the same or allied branches of industry. It was only when that stage had been reached that we were able to achieve results whereby the workers, utilizing all the internal possibilities and resources of the plant, could play a decisive role in the drafting and execution of the production plan.

It was at that stage that there began to develop and grow the system of so-called "workers' counter plans". This system has already given us enormous practical results and has aided us in stopping the activities of counter-revolutionary groups intent upon wrecking industry. In all cases the discussion and adoption of workers' counter-plans have been accompanied by numerous inventions and suggestions for rationalization, which have resulted in improving the process of production and increasing the productivity of labor.

In this task the working class has encountered and still encounters serious difficulties. Some of these difficulties are a result of the very considerable labor turnover arising from the exceptional ease with which jobs may be obtained in the most varied branches of industry, the remarkable mobility of labor fostered by large-scale production, and the tremendous amount of new construction work going on everywhere.

This labor turnover alone is an effective reply to those who attempt to find elements of compulsion in our labor system. It is, indeed, a strange kind of "forced labor" which allows any worker to pass freely from one branch of industry to another and results in an enormous fluctuation of labor. The struggle against this fluctuation in not easy and is carried on through the self-discipline of the workers. In the majority of plants many workers pledge themselves not to leave their posts until the main problems confronting Soviet industry are solved, to

stay in their particular factory or plant until the completion of the Five-Year Plan. In this manner the more advanced workers constitute an example for the more backward workers, organize them, and bring them to a full consciousness of their general class interests.

American authors specializing in questions of psycho-physiology and psychotechnique, such as Scott, Tead, and Metcalf, emphasize the significance of the "attraction of work" and "actively interesting" the worker in his work. American employers know how to arouse personal ambition by various means: by drawing the workers into profit-sharing schemes, by encouraging different categories of workers to compete with one another, by threatening them with unemployment. In these ways the employers attempt in their own interest to incite the masses of workers to activity.

Under our system the advanced section of the proletariat influences the less advanced sections through convincing example and direct aid. Only in exceptional cases is social pressure brought to bear upon individual unworthy workers who may be subjected to social ostracism, informal comradely trials, and so on. These means for maintaining workers' discipline are possible in the Soviet Union because the workers themselves are the organizers of production. Our system of free labor on a co-operative basis, combined with the enthusiasm of the masses for their work, has created unlimited possibilities. As a result of this enthusiasm we have been able to attain such an enormous rate of development for the whole of our national economy that in a short space of time it has been possible to eliminate unemployment, to employ increasing numbers of workers in all the main branches of industry, and at the same time, to bring about a constant improvement in the material welfare of the toilers.

The expansion of Soviet industry has been accompanied by a great growth in the number of Soviet wage-earners, as is indicated by the table on the following page.

The figures in this table show that the greatest gain in the number of workers has taken place in the building trades, where from

NUMBER OF WAGE-EARNERS IN THE U.S.S.R. 1923-24 to 1931.

Branches of Labor	1923/24	1924/25	1925/26	1926/27	1927/28	1928/29	1929	1930	1931 (preliminary)	Per cent increase 1931 over 1923/24

NUMBER OF WAGE-EARNERS IN THE U.S.S.R. 1923-24—1931.

Branches of Labor	1923/24	1924/25	1925/26	1926/27	1927/28	1928/29	1929	1930	1931 (program)	Per cent increase 1931 over 1923-'24
	(in thousands)									
I. Industry	2,148.8	2,498.3	3,105.0	3,261.4	3,441.5	3,677.7	3,761.0	4,636.0	5,159.0	140.0
a. Census Industry*	1,794.9	2,108.7	2,678.5	2,838.6	3,033.3	3,269.5	3,353.0	4,235.0	4,798.0	167.3
b. Non-census Industry	353.9	389.6	427.0	422.8	408.2	408.2	408.0	401.0	361.0	2.0
II. Construction	193.6	286.9	427.1	546.8	683.3	821.8	923.0	1,598.0	2,010.0	938.2
III. Transportation and Post and Telegraph	1,076.0	1,101.7	1,284.7	1,352.2	1,350.2	1,355.9	1,422.0	1,668.0	1,870.0	73.8
IV. Trade	279.3	420.0	532.2	583.1	588.1	688.3	704.0	848.0	938.0	235.8
V. Finance	47.8	66.1	82.4	85.9	90.6	99.9	114.0	122.0	122.0	155.2
VI. State Institutions	1,674.6	1,826.1	2,053.4	2,244.7	2,330.6	2,409.4	2,499.0	2,609.0	2,766.0	65.2
VII. Miscellaneous	57.1	63.8	73.6	86.7	95.3	102.0	103.0	109.0	114.0	99.6
Total (I-VII)	5,477.2	6,262.9	7,558.4	8,160.8	8,580.1	9,135.2	9,526.0	11,590.0	12,979.0	136.9
VIII. Migratory and part-time day workers	233.1	279.6	351.6	388.1	421.4	464.1	475.0	128.0	364.0	56.1
IX. Domestic help	132.7	192.8	242.7	318.2	368.4	399.7	404.0	411.0	370.0	178.8
Total non-agricultural labor	5,843.0	6,735.3	8,152.7	8,866.1	9,369.9	9,998.0	10,405.0	12,429.0	13,713.0	134.7
X. Agriculture	1,300.0	1,820.3	2,045.1	2,124.0	2,086.0	2,138.0	1,989.0	2,158.0	2,587.0	99.0
State farms	—	—	—	—	—	317.0	399.0	694.0	1,289.0	—
Grand total	7,143.0	8,555.6	10,207.8	10,990.1	11,455.9	12,136.0	12,394.0	14,587.0	16,300.0	128.2

* Census industry includes all industrial establishments employing 15 workers or more and using mechanical power and all those where no mechanical power is used but employing at least 30 workers.

1923-24 to 1931 the number of workers employed has increased by 938 per cent. On the state farms the number of workers employed has quadrupled in the last three years. In census industry the number of workers has increased by 167 per cent in the past seven years, while the number of workers in the non-census industry has remained stable.

While new strata of workers are being constantly drawn into the process of social production, there are no blind-alley trades in the Soviet Union, nor are workers doomed to unskilled labor. There is a steady advance in the skill of the huge army of workers building up Soviet industries. This is most clearly seen in the development of all sorts of measures enabling the workers to learn any trade and obtain any technical training and knowledge they may seek.

The figures in the following table give some indication of this work:

NUMBER OF PUPILS IN THE GENERAL EDUCATIONAL INSTITUTIONS OF THE U.S.S.R.

Type of Institution	1914	1923	1924	1925	1926	1927
	(In thousands as at the end of each year)					
Kindergartens and creches	—	59.1	60.2	72.7	86.5	103.8
Children's playgrounds	—	—	—	—	—	204.0
Elementary Schools (four-year course)	7,235.9	7,093.8	8,307.3	9,197.4	9,498.3	9,942.0
Secondary Schools (three to five year course)	564.6	734.7	832.6	996.5	1,203.2	1,430.8

Type of Institution	1928	1929	1930	1931	Per cent increase 1931 over 1923
Kindergartens and creches	128.4	173.2	318.2	620.7	950.3
Children's playgrounds	323.6	581.2	1,753.5	4,222.8	—
Elementary Schools (four-year course)	10,375.0	10,452.2	11,775.5	17,342.3	144.5
Secondary Schools (three to five year course)	1,436.0	1,444.9	1,599.2	1,980.2	169.5

The total number of students in the elementary and secondary schools increased from 7,800,000 in 1914 to 11,900,000 in 1929. The year 1931 witnessed a tremendous development of the

network of schools with a view to carrying out the measures providing for universal elementary education.

During the past few years the development of the network of trade and technical schools has advanced at a rate even more rapid than that of the general schools. Various government decrees have recently been issued with the aim of extending the training of workers for all branches of the national economy. The following table shows to what an extent this work has developed in the past few years:

NUMBER OF PUPILS ATTENDING TRADE AND VOCATIONAL INSTITUTIONS IN THE U.S.S.R.

Type of Institution	1914	1928	1929	1930	1931	1932 as per original Five-year Plan	1931 Per-cent increase over 1928
	(In thousands as at the end of the school year)						
Higher educational institutions, total	109.9	191.5	218.2	291.4	358.2	209.0	87.1
Industrial and agricultural	—	113.9	141.2	210.3	255.5	133.0	124.3
Secondary technical schools, total	—	183.1	316.3	578.7	609.8	327.0	233.1
Industrial and agricultural	266.9	101.9	184.7	378.9	444.4	148.0	336.1
Factory training schools	—	153.3	163.3	568.9	1,197.8	430.0	681.3
Workers faculties*	—	56.6	68.2	247.5	331.7	72.0	487.1

* Special schools for preparing factory workers for the higher educational institutions.

In this connection it may be noted that, while in the majority of the branches of national economy the Five-Year Plan is being carried out in four and in some cases even in three years, as regards the training of workers for industry it is being carried out at an even more rapid pace. Thus, as early as 1931, the schedules set by the Five-Year Plan for 1932 had been exceeded by 70 per cent as regards the higher educational institutions, and by 85 per cent for the secondary technical schools. Attendance was three times as large as originally planned in the factory

training schools, and four and one-half times as large in the workers' faculties.

In 1914 the number of students in the higher institutions of learning was 109,900. By 1931 this number had more than trebled, totaling 358,000. In 1914 the number of students in the elementary and secondary trade and technical institutions totaled 267,000. In 1931 the number of students in the technical and factory schools alone (exclusive of vocational schools, vocational workshops, and the like) totaled 1,808,000 or practically seven times the pre-war total. In addition, several million workers, employees, and collective farmers are at the present time extending their education by means of evening schools, correspondence courses, etc.

In 1931 the Soviet budget appropriated for workers' education a sum seven and a half times the amount spent in 1914.

In this connection it is worth noting the restriction of the sums spent for universities, laboratories, publication of scientific work, and scientific research institutions, not only in vanquished Germany but also in victorious England, France, and even the United States. Professor Matchoss, head of the Society of German Engineers, has published in the Society's official organ an analysis of the effects of the economic crisis on technical education.

According to Professor Matschoss, about 40,000 young people study in the technical universities and technical schools of Germany, of whom nearly 8,000 finish their studies. Unemployment prevails among these graduates to an alarming extent. On an average, about 20 per cent of them find positions, 10 per cent continue their studies, 20 per cent accept any kind of work outside of their profession, and the remaining 50 per cent have no income whatsoever. Professor Matschoss declares that it is not rare to find graduate engineers "who have the use of a bed only from 10 o'clock in the evening, who no longer know what warm food is, who consider themselves lucky if they are able to earn a few marks at any kind of work, even as dish-washers, cigarette clerks, or dance hosts".

Professor Matschoss then shows how various organizations at-

tempt to assist the young engineer, adding: "Only one thing cannot be done, and that is to provide these numerous graduates with work in the same manner as the others. For a while he leaves the streets, and is free from the tortures of realizing that he is compelled to let his intellectual epuipment, gained at great sacrifice, lie fallow; he can secure for himself the desired "uninterrupted" career, and to the question, "What have you done since your graduation?", he need no longer answer merely "I have looked for work."

Professor Matschoss cites the following figures regarding unemployed engineers: "Today the number of unemployed university men is estimated at 30,000; it is estimated that by 1934 the figure will rise to 130,000." *

This situation prevails not only in Germany but also in the victorious countries. For example, leading American technical journals publish striking letters from trained engineers who completely despair of their efforts to find work. Other sections of the intelligentsia find themselves in the same position. Indeed, the position of the scientific worker has not only not improved, but has actually become worse.

During the past two years there has been an especially intensive development of the network of vocational educational facilities in the Soviet Union. During this period the difference in the rate at which specialists have been trained in the Soviet Union as compared with Germany and most other capitalist countries has become especially marked. At the present time we are setting to work to organize the general technical training of the workers, a problem which must and undoubtedly will be solved within the next three years.

In addition to the extension of vocational and technical training, there are certain aspects worth emphasizing, since they differentiate the Soviet system from that of narrow craft training typical of vocational education in capitalist countries. The following table, for example, shows how the working class of the

* Professor Matschoss: "Arbeitslose Absolventen". Nachrichten-Mitteilungen des Vereins Deutscher Ingenieure und des Deutschen Verbandes Technisch-Wissenschaftlicher Vereine, Berlin, March 11, 1931, No. 10.

Soviet Union has been extending its hold in recent years over the secondary and higher vocational and technical schools:

SOCIAL STATUS OF STUDENTS.

Year	Higher Schools (including Technical Schools)			Secondary Technical Schools		
	Workers	Peasants	Others	Workers	Peasants	Others
	(in percentages)					
1927	38.3	14.6	47.1	—	—	—
1928	42.4	13.7	43.9	—	—	—
1929	46.4	12.8	40.8	58.5	14.0	27.5
1930	56.4	12.5	31.1	67.6	14.0	18.4
1931	63.7	13.3	23.0	73.2	13.4	13.4

What may be called the conquest of higher education by the working class has now proceeded furthest in those educational institutions which train students for skilled industrial work. Almost two-thirds of the total number of students in the higher technical educational institutions and three-fourths of the students in the secondary technical schools are composed of workers and the children of workers. Thus, in training technicians on a mass scale, we are able to draw upon members of the working class who are thoroughly devoted to the great work of building socialism.

To an increasing extent public education and the training of industrial specialists in the Soviet Union is becoming a mass movement of the workers themselves. It is an organized struggle by the working class and the toiling peasants who follow its lead to master culture, science, and technique.

The planned system of socialist construction, the introduction of large numbers of people into productive labor, and the steady improvement in their skill as workers is resulting in constant improvement in the material welfare and general living conditions of the workers and in a steady rise in their cultural level. The wellbeing of the Soviet workers cannot be measured by the amount of wages they receive. In the Soviet Union wages play a role which cannot be gauged by capitalist standards. In the socialized sector of Soviet economy wages do not represent

the value of labor power, since the worker does not sell his labor power. Under the socialist system of economy prevailing in the Soviet Union labor power is not a commodity. In capitalist economy the standard of living of the proletariat is determined by the wages each worker receives individually in exchange for his labor power. In the Soviet Union, on the other hand, the worker is paid "wages" in accordance with the amount and quality of his individual labor, but in addition there exist a number of other forms of distribution of wealth, in which the collective nature of labor comes to the fore. These inclule workers' welfare funds, social insurance, funds for the training of industrial workers, the construction of houses, public services, and other socialized forms of wages.

But even "wages" in the sense used in capitalist economy have been increasing steadily in the Soviet Union. From 1924 to the first quarter of 1931 the average monthly wage of the workers in socialized industry has increased as follows:

	1924	1925	1926	1927	1928	1929	1930	1931 1st.quart.
All census industry	39.48	47.81	57.02	64.64	70.94	77.65	83.30	90.70
Coal mining	38.29	42.86	53.87	59.34	63.27	68.81	76.47	83.97
Iron & steel	34.27	46.13	58.42	68.79	75.61	83.82	88.30	90.05
Machine-building	44.92	57.79	69.78	82.37	92.94	103.29	108.36	118.00

For the period from 1924 to the first quarter of 1931 average wages increased 130 per cent for industry as a whole. In the metallurgical and machine building industries wages increased 170 per cent.

In analyzing wages in the Soviet Union bourgeois economists - and certain economists from the camp of the Social Democratic Party and the trade unions affiliated to the Amsterdam International - are inclined to argue as follows: If we exclude from the total income of the Soviet proletariat that part of the income of the socialist industries which is used for socialist accumulation, what remains for distribution among the individual workers is no greater than the share of the national income obtained by the proletariat in capitalist countries.

(Continues under table on page 137.)

The following figures indicate the improvements made in the material position of wage-earners in the Soviet Union:

Wage Funds	1927/28	1928/29	1929/30	1931	Percent increase 1931 over 1927/28
	(in million rubles)				
Individual wage fund	7,801.0	9,640.0	12,508.0	15,368.0	97.0
Ratio to 1927/28	100.0	123.0	160.3	197.0	—
Socialized wage funds:					
1. Social insurance	980.1	1,176.0	1,514.0	2,173.0	118.1
2. Industrial workers welfare *)	60.0	88.0	125.0	285.0	375.0
3. Additional expenditure by the enterprise (free municipal services, promotion of cultural welfare etc.) *	355.8	440.2	574.6	679.6	91.0
4. Housing construction	419.7	510.9	595.0	1,117.0	166.1
5. Educational fund	994.0	1,448.0	2,700.0	4,088.0	311.3
6. Health services	552.0	670.0	997.5	1,271.0	130.2
7. Socialized restaurants	10.0	25.0	65.0	120.0	1,100.0
Total:	3,371.6	4,358.1	6,571.1	9,733.6	—
Ratio to 1927/28	100.0	129.3	194.7	287.6	—
Ratio to individual wage fund	43.2	45.2	52.5	63.1	—

* The amounts given under items 2 and 3 are smaller than the actual, since they include only expenditure for workers in industry and not those for workers in transportation, etc.

This viewpoint is, of course, entirely erroneous. The share of the national income which goes to a Soviet worker in the form of individual wages really constitutes only one part of his actual income. Under Soviet conditions the structure of the national income is such that "wages" represent a purely relative conception, and even this share of the national income represents only part of the means for the reproduction of labor power. The rest of it is comprised in the funds of the socialized enterprises, and is represented in expenditure for such items as social insurance, workers' welfare funds, etc. Furthermore, it is necessary to take into consideration the huge appro-

priations of the state budget for public education, health services, and housing construction, which likewise represent socialized means for the reproduction of labor power. In these fields there has been an exceptionally rapid rate of development.

These items by no means exhaust all the ingredients of what may be called "socialized wages". Millions of rubles are spent on annual vacations with full pay. In 1927-28 a total of 107,000,000 rubles were spent on such vacations; in 1931 the total rose to 364,000,000 rubles. Another such item is the maintenance of students in the factory training schools, which involved an expenditure of 19,000,000 rubles in 1927-28. This sum increased to 154,000,000 rubles in 1931, an increase of over 700 per cent in the short space of four years. There are many other items involving large expenditure by the state which serve to increase considerably the amount of socialized wages. It will suffice to mention one such item - the short-term training courses for workers, now organized on so wide a scale as to embrace over a million workers and involving an annual expenditure of more than 235,000,000 rubles.

In the Soviet Union we are witnessing a process which stands in striking contrast to what is going on in all the surrounding capitalist countries. We have from year to year a steady reduction in the proportion of low-paid workers, as is clearly indicated by the following table:

PERCENTAGE OF WORKERS RECEIVING MONTHLY WAGES OF:

Years	Less than 40 rubles	40-60 rubles	60-80 rubles	80-100 rubles	100-150 rubles	over 150 rubles
1923	63.8	22.8	8.7	3.2	1.4	0.1
1924	52.4	28.3	11.4	4.6	2.9	0.4
1925	31.4	31.2	18.2	9.8	8.0	1.4
1926	21.3	31.4	22.2	12.7	10.6	1.8
1927	13.7	27.2	24.7	15.0	15.4	4.0
1928	11.1	25.6	24.8	16.8	17.2	4.5
1929	9.8	25.4	25.0	17.2	17.9	4.7
1930	8.0	20.9	23.4	18.2	21.9	7.6

These figures show that in 1930 the proportion of workers with monthly wages of less than 40 rubles amounted to only about one-eighth of that in 1923, while the proportion of workers

earning over 100 rubles was almost twenty times as great.
Equally striking has been the improvement registered during the same period in the living conditions of the workers employed on the state farms. The widespread development of state farms and their specialization and re-equipment have been accompanied by increases in the wages paid to the workers they employ. as shown in the following table:

AVERAGE MONTHLY WAGES OF WORKERS ON STATE FARMS.

	1928	1929	1930	1931
		(in rubles)		
All workers	22.40	26.33	40.00	55.35
Permanent	34.00	38.50	53.58	60.66
Seasonal	28.16	35.00	40.66	48.72
Casual	17.08	19.16	30.83	50.16

Thus, in 1931 the wage level on state farms is 2.5 times that of 1928. It should be noted in this connection that on certain state farms, such as the „Gigant", in the Northern Caucasus, the wages of the workers in 1930 had already attained the level of the average wages earned by industrial workers in that region. This indicates that progress has been made in eliminating the gulf which has hitherto existed between the city and the village.

The steady increase in wages has been accompanied by a decrease in working hours. In Tsarist Russia workers sometimes worked 16 to 18 hours a day. A 10- or 12-hour day was the common thing in pre-revolutionary Russia. It was only after the November Revolution that the 8-hour day became, both in law and in practice, the maximum working day for the adult population and the 6-hour day the maximum for miners. It was also the Soviet regime which introduced the 7-hour day. The length of the working day has undergone the following changes:
In 1904 the average working day for Russian industry as a whole was 10.7 hours; in 1913 - 9.87 hours; in 1918 - 7.69 hours; and in 1931 - 7.02 hours. In the coal industry the length of the working day has been reduced from 10.06 hours in 1913 to 7.0 hours in 1931; in the metal industries from 10.07 to 7.10 hours; in the machine-building industry from 9.73 to 6.25 hours;

in the chemical industries from 10.1 to 7.0 hours; and in the textile industry from 10.11 to 7.02 hours.

Soviet law prescribes a shorter working day for harmful and dangerous industries. Thus, in 1928, even before certain industries were put on the 7-hour day, 14.62 per cent of the workers had short working days. These included 14.4 per cent of all the adult male workers in the country, 4.72 per cent of the adult women workers, and 99.17 per cent of the minors.

In order to obtain the greatest possible use from the machinery and equipment in certain types of factories which work on the multiple-shift system, it has been found necessary to increase the working day to 7½ hours. The Government, however, has passed a law requiring industrial and labor bodies not to allow the total number of hours which the worker puts in per month to exceed the former limit, namely, 168 hours (7×24). Under this system for each four days of work the worker gets two days, or forty-eight hours, of rest.

In addition to the establishment of the seven-hour day, there has been a further reduction of the working time through the establishment of the five-day working week. Under this system the machines work uninterruptedly, while each individual worker works only four days out of a five-day week. At present more than two-thirds of the workers in industry are embraced by the five-day week system.

There are also other factors which enter into shortening the Soviet working day, such as the right of the worker to take time off for regular meals, the time allowed off for nursing mothers, and the practice now being adopted in Soviet industry of allowing free periods for rest and physical exercise.

This year 70 per cent of the Soviet workers are on the seven-hour day; in 1932 it is planned to have 92 per cent on the seven-hour day. At the beginning of the second Five-Year Plan, it is intended to establish a normal working day of six hours, as provided by the program of the Communist Party.

The profound difference between the socialist and the capitalist economic system is manifested with particular clarity in the sphere of labor protection. Under the Soviet system special stress

is laid upon creating labor conditions which conform to the highest standards of safety and sanitation. In reconstructing factories and building new ones special attention is given to such problems as proper lighting, ventilation, working clothes, safety devices, and sanitation. In the Moscow Region, for example, where the textile industry is particularly developed, only 71 textile mills had ventilation systems prior to the Revolution. In the six years from 1925 to 1931 a total of 1,080 new ventilation systems were installed. Each enterprise allocates part of its budget for safety and sanitation devices; in addition, the national economic plan provides special funds each year for this purpose. Thus the Soviet Government in 1928-29 spent 54,500,000 rubles for safety and sanitation in industry, while in 1931 a total of 124,000,000 rubles will be spent in industry and 30,000,000 rubles in transportation. As a result of these measures, the number of cases of industrial accidents and disease is declining. The insurance organizations of the Soviet Union report that in the year 1925-26 there were 10.7 days of sickness per worker, while in 1931 there were only 9.0 days.

In this connection it may be pointed out that under the Soviet system of recording industrial accidents not a single case can be overlooked. Since there are no private insurance companies in the Soviet Union, there is no tendency to conceal or minimize industrial accidents or to shift the burden to the hospitals.

Social insurance legislation in capitalist countries creates a form of statistics which tends to conceal the facts. Nevertheless, even on this basis the index of fatal industrial accidents in the Soviet Union in 1929 was considerably lower than in Germany or the United States. In Germany the figure was 0.45 fatal accidents per 1,000 fully insured persons; in the United States, 0.4; while in the Soviet Union it was only 0.26. The same is true regarding serious, but not fatal, industrial accidents.

The systematic work being carried on in the Soviet Union to improve labor conditions has resulted not only in a lower percentage of accidents as compared with other countries but also in an absolute reduction in the proportion of accidents from year to year. A recent investigation of large plants in the Soviet Union shows a considerable reduction in accidents. Thus, acci-

dents at the big "Red Putilov" plant in Leningrad decreased by 8.6 per cent in one year; at the Electrosila works by 16.6 per cent; at the Electric plant by 25.1 per cent; at the Baltic shipyards by 34.4 per cent; at the Optical works by 36.6 per cent; and in some factories as much as 50 per cent.

This reduction of accidents took place notwithstanding the fact that the piece-work system prevailed in the plants mentioned. It must be taken into account, however, that, under Soviet conditions with the constantly growing activity and conscientiousness on the part of the workers and the widespread application of socialist forms of work, piece-work does not result in an increase of industrial accidents. On the contrary, due to the heightened enthusiasm and concentrated will power of the workers, the piece-work system tends rather to diminish the number of accidents.

Labor protection in the Soviet Union is not left to chance or caprice, but is based on the theoretical material furnished by a large number of scientific research institutes. There are at present 80 institutes and laboratories engaged in research on labor conditions. The joint budgets of these institutes total 7.500,000 rubles annually. They are not isolated but work in close cooperation with the factory laboratories and research departments as well as with an extensive network of special technical research institutes which are subsidized independently.

Measures taken in the sphere of social insurance are as extensive as those in the sphere of labor protection. In the Soviet Union social insurance embraces all persons employed in any branch of the national economy and covers all forms of social risk. It also embraces the vast majority of students. There is, of course, no capitalist country having an insurance system which is at all comparable in extent to that in the U. S. S. R.

The overhead of social insurance in the Soviet Union is only 1 per cent of the total expenses, as compared with Germany, for instance, where the overhead is 10 per cent. On the other hand, the expenses in rubles per person insured in the various countries are as follows: England - 53.78 rubles; France - 47.75 rubles; and the Soviet Union - 131.57 rubles.

The sharp decrease in sickness in the Soviet Union and the

efforts to improve the health of the Soviet working population were accompanied by an increase in insurance expenses, chiefly in connection with the improvement of medical facilities. In this field alone the expenditure paid out of the social insurance fund rose, per person insured, from 22.10 rubles in 1927-28 to 32 rubles in 1931. Closely bound up with the medical facilities are the prophylatic facilities, such as convalescent homes, sanitoria, health resorts, etc., in which at least 80 per cent of the places are reserved for workers. The number of persons in convalescent homes rose from 437,200 in the year 1927-28 to 799,440 in the year 1931, while the number in the sanitoria rose from 74,200 in 1927-28 to 125,600 in 1931.

Soviet social insurance makes special provisions for taking care of invalids, orphans, and old people. For this purpose 306,100,000 rubles were allocated for 1929-30 and 371,400,000 rubles for 1931.

In the year 1931 a total of 1,234,200 persons received insurance benefits. Of these 680,000 were incapacitated through general illness and 54,900 suffered from industrial accidents or occupational diseases. This number also included 426,000 families whose breadwinners had died from natural causes and 19,200 families whose breadwinners had died from an occupational accident or disease.

Soviet social insurance provides still other forms of assistance, such as for the nursing of infants, feeding of school children, and burial, for which the sum of 60 million rubles has been appropriated in 1931. The Soviet insurance organizations also participate in such activities as housing construction, for which they appropriated 331 million rubles in 1931; child nurseries and milk centers, for which they appropriated 22 million rubles; kindergartens and the feeding of children for which they appropriated 20 million rubles; and the training of skilled workers, for which they appropriated 100 million rubles.

No analysis of the status of the Soviet worker would be complete without mention of the housing situation. Beginning with the year 1924 the rapid reconstruction of the heavy industries resulted in a considerable increase in the number of workers

living outside of the urban area in which they worked, while the houses inherited from pre-revolutionary days proved insufficient in number and unsuitable in character and quality.

The housing problem was aggravated by the fact that many new workers came from other districts. Beginning with the year 1928, this tendency became particularly acute. The rapid expansion of industries in the old industrial centers was accompanied by the development of new centers of population. The absence of a sufficient number of old houses to meet the new waves of population which came pouring in, resulted in an acute housing crisis.

A large part of the budget allocated to housing construction goes to new settlements, to the extent of 45 per cent in 1929-30 and 57 per cent in 1931. There has also been a large increase in the number of workers who live with their families in houses belonging to the various industrial enterprises. While in 1921 the number of workers living with their families in the houses of the Azerbaidjan Oil Trust was 22 per cent of the total number employed by the Trust, in 1926 the proportion had increased to 78 per cent. The dwelling space occupied by workers' families in houses of the Azerbaidjan Oil Trust amounted to 57 per cent of the total dwelling space.

Despite the complexity of the housing problem with which Soviet industry is faced, considerable progress has been made in the past few years in solving this problem, thanks to the great increase in capital investments in housing construction. Thus, in the year 1927-28, all Soviet industries jointly invested 419,700,000 rubles, while in 1931 the amount to be invested for housing construction is 1,117,000,000 rubles. The increase of investment in housing construction greatly exceeds even the rate of increase in the number of workers.

In addition to the great increase in the number of workers' families living in houses belonging to industries, there has been a tendency in many regions to build workers' homes nearer the place of work. In the Donetz Basin, for example, the number of houses situated within one kilometer from the place of work constituted 41 per cent of the total in 1929, as compared with 15.8 per cent in 1923; within two kilometers, 30 per cent as

against 14 per cent; within three kilometers, 1 per cent as against 29.7 per cent.

The conditions of tenancy in the Soviet Union are completely different from those prevailing in other countries. Occupation of municipal-owned houses is not limited to any given period, nor can the worker be ejected from his home when he ceases to work for the enterprise which owns it. Rent is not established by contract. Above all, it is not determined by the amount of ground rent but in accordance with a scale based on class principles. The amount of rent depends upon the income of the tenant and the number of his dependents. Preferential rates are widespread. Certain categories of workers enjoy rebates of as high as 80 per cent. In capitalist countries a person's income determines the kind of house he can occupy: in the Soviet Union even the lowest-paid workers can live in the best apartments.

All of the measures outlined above for improving the material welfare of the Soviet workers have profoundly affected the trend of vital statistics. The Soviet working class had to overcome extraordinary difficulties: the sufferings of the civil war, the extremely unfavorable production and housing conditions inherited from the old regime, the famine and destruction which accompanied foreign intervention. The rapid development of economic life and the activity of the masses have overcome these difficulties and have raised the general level of living conditions. This general improvement is reflected in the birth and death rates. For purposes of comparison we may take the birth and death rates of German industrial workers as indicated by factory insurance fund statistics. These figures show that for every 1000 persons insured under the factory insurance system in Germany from 1909 to 1913, the annual death rate was 7.1 for men, 5.3 for women, and 6.8 for both sexes. In 1928 the figures were 6.9, 4.2, and 6.3; in 1929, 7.3, 4.5, and 6.7, respectively. The average age of the German workers has declined since the war; nevertheless, the death rate among German industrial workers has tended to increase rather than decrease.

The death rate among Russian factory workers in the years

1913-1916 was 8.0 per 1000 men, 5.1 per 1000 women, and 6.9 per 1000 of both sexes. Since prior to the revolution factory workers were practically the only workers entitled to insurance, in comparing the pre-revolutionary death rate cited with the present rate, we should not include all the Soviet workers who are insured but only the industrial workers. On this basis the death rates in recent years have been as follows:

	1924/25	1925/26	1926/27	1927/28	1928/29	1929/30
	(per thousand)					
USSR	6.0	6.0	5.4	5.1	4.8	4.3
RSFSR	6.2	6.2	5.4	5.2	4.9	4.4
Ukrainian SSR	5.0	4.9	4.3	4.3	4.0	3.5

It is necessary to take into account that there is an intimate connection between labor conditions and the increase in labor productivity. In capitalist society the reproduction of labor is regulated by wages, the only factor tending to stimulate an increase in the efficiency of labor. Under Soviet conditions the supply of labor power is, on the whole, subject to planning At the same time, there are growing up new Communist forms of stimulating the productivity of labor, such as socialist competition and shock brigades, although wages still play a role in stimulating the efficiency of individual workers.

The planned growth of labor productivity in the Soviet Union is, of course, based primarily on the amount of electrical energy and capital available; but, in addition, the continual efforts of the Soviet Government to improve the material and cultural welfare of the workers, while shortening the working day and working week, have had a decidedly favorable effect upon labor productivity. The quantity of energy consumed in industry per worker in thousands of kilowatt-hours per year has been as follows:

1926/27	1928	1929	1930	1931
1.12	1.22	1.42	1.78	2.40

The importance of this capital outlay in raising the productivity

of labor may be more clearly grasped by citing specific instances in a few industries. For example, in 1913 there were four coal-cutting machines in the Donetz Basin and only 0.5 per cent of the coal was obtained mechanically. In 1930, however, 56.3 per cent of the Donetz Basin coal output was obtained mechanically, and in 1931 the percentage will be raised to 78, the number of coal-cutting machines having been increased to 1,421.

In the oil industry the productivity of labor has undergone a radical transformation, due to the application of modern technique and improvements in the organization of oil production. In 1913 as much as 98.8 per cent entire oil output was produced by primitive methods; in 1929-30 only 3.1 per cent of the entire oil output was thus produced, while the remaining 96.9 per cent was extracted by mechanical means, by deep pumping, compressors, etc.

Labor productivity in the steel and iron industry increased primarily because of the installation of twenty-four new blast furnaces and sixty-one open-hearth furnaces in the past three years. Similar examples could be cited in all the other industries. The equipment of industry to a constantly greater extent with mechanical power and machines has led to the following increase in productivity per working-day:

LABOR PRODUCTIVITY PER WORKER PER WORKING DAY.

1921	1922/23	1923/26	1927/28	1928/29	1929/30	1931 (estimate)
(in rubles, 1926/27 prices)						
7.3	10.27	15.32	20.94	23.61	25.61	32.1

This uninterrupted growth in labor productivity creates the necessary material and technical basis for the systematic improvement of the living standards of the workers, and, at the same time, guarantees the necessary accumulation for the further acceleration of the rate of economic development.

It cannot be denied that in capitalist countries the growth in labor productivity in recent years has been due primarily to the lengthening of the working-day and the more intensive utilization of the workers' muscular power, while the increase in mechanical energy and equipment has lagged behind the growth in labor productivity.

We shall now compare labor conditions in the Soviet Union and in capitalist countries as regards the various categories of labor, particularly in respect to the labor of women and children. In capitalist countries the employment of women and children in industry is a phenomenon analagous to the substitution of colored workers for white workers. It tends to injure the position of the working-class as a whole. On the other hand, the increased participation of women workers in Soviet production under the conditions of socialist construction has an entirely different economic significance. In the Soviet Union this serves to draw into the active processes of production new detachments of workers, to increase the general labor resources, and, at the same time, to free the women from the burden of the difficult home conditions typical of pre-war Russia. In Soviet economy the position of women as regards wages is not inferior to that of men; on the contrary, a series of laws has established measures for the protection of women workers and granted them special privileged conditions. There has been a great improvement in the cultural level and living conditions of women and in maternity and child welfare. The progress made in this field is unequalled, not only if compared with conditions prevailing in pre-war Russia but even if compared with those prevailing today in the leading European capitalist countries.

In the Soviet Union the introduction of women workers into industry does not serve to injure the conditions of the male workers. Under a Soviet system this would be unthinkable. It is worth noting that, although the number of women workers in Soviet industry has increased from 673,000 in 1927-28 to 1,276,000 in 1931, the percentage of women as compared with the total number of workers remains unaltered. The participation of women varies largely from industry to industry, ranging from 63 per cent in the cotton textile industry to 8 per cent in the metallurgical industries. Incidentally, it is absolutely impossible for us to understand the statement of the International Labor Bureau published in "L'Année Sociale", 1930, that Soviet agriculture is using women workers on an extensive scale in order to free the men for industry, and that in our industries women workers are most common in the textile and metallur-

gical industries. As a matter of fact, the workers on the Soviet state farms are made up as follows: women under 18 years of age constitute 0.5 per cent of the total; male minors - 0.9 per cent; women over 18 years of age - 12.5 per cent; and adult men 86.1 per cent. In the metallurgical industries, as has already been pointed out, women constitute only 8 per cent of the total number of workers.

Although for the time being it is necessary to employ women in certain branches of industry requiring little skill, the Soviet Union does not maintain the system of unequal pay for men and women performing similar work. Such unequal pay is a characteristic phenomenon in capitalist countries. *

In Germany, for instance, even in those industries where women workers predominate, such as the textile and clothing industries, the women workers receive only 65 to 73 per cent of the wages received by men. In the United States the difference between the wages paid to men and women performing the same work varies from 39 per cent in the printing industry to 64 and 70 per cent in the textile industry. In Great Britain the variation is from 42 per cent in the chemical industry to about 59 per cent in the textile industry.

We find a striking contrast to the above percentages, when we compare the wages of men and women workers performing the same work in the Soviet Union. In 1929-30 women workers in the engineering industries received 93.9 per cent of the wages received by men. In the textile industry women received from 85.2 per cent to 102.3 per cent of the wages received by men, depending upon the specific trade, with an average for the entire textile industry of from 97 to 98 per cent. In the printing industry the ratio of women's wages to men's wages ranged from 81.1 per cent to 94.5 per cent; in the rubber industry it was about 86.6 per cent, and so on. Since 1929-30 the situation has improved still further.

It must, moreover, be noted that there is a great difference as regards provisions made for the care of working women in the Soviet Union and in other countries, during pregnancy and childbirth. Working women in the Soviet Union are allowed

* See "Revue Internationale du Travail", April, 1931.

time off with full pay for a period of eight weeks before and eight weeks after child-birth; women office workers six weeks before and six weeks after child-birth. It must also be kept in mind that in the Soviet Union women are strictly forbidden to work immediately before or after child-birth. In most capitalist countries a brief leave of absence is granted only after child-birth. Before child-birth the working woman may take time off, if she so "wishes". We know, of course, what these "wishes" amount to in a period of economic depression and mass unemployment. In the Soviet Union alone does the woman who is to become a mother lose nothing from her wages. In the rest of the world motherhood means an unconditional loss in wages. This loss practically amounts to a punishment for motherhood. It is also necessary to take into consideration the tremendous sums spent by the Soviet Union for socialized restaurants, children's nurseries, kindergartens, sanitoria, and institutes of hygiene, which relieve women of a large part of their domestic burdens.

We shall now take up the question of child labor. In all capitalist countries child labor is still used and exploited in the most ruthless manner. In England the law of 1920 concerning minors in industry and the school law of 1921 contain some suggestions for the protection of child labor. Nevertheless, the report of the chief factory inspector for 1929 shows that the total number of children and youths under 18 years working in those shops and factories regulated by these laws constitutes only 16 per cent of the total number of young industrial workers. There are 97,000 minors working in the British mining industry, of whom 70.000 work undergound. No less than 400.000 minors work in industries which are not included in the scope of these laws, such as transportation, messenger service, theatres and places of amusement, commercial enterprises, etc. The chief inspector's report shows a widespread violation of the laws regulating the employment of minors. Judging from the number of accidents, the intensity of labor is very great. Thus, in 1929 about 16 per cent of the total number of accidents involved young workers. The number of accidents was particularly great

among girl workers, to whose share fell 30 per cent of the total number of accidents among women workers. The condition of children and minors in non-industrial enterprises is still worse.

During February and March there were discussions of Lord Astor's proposals regarding child labor. Various speakers made it clear that, judging by the reports of the government commission, the condition of the British working-class youth in 1931 in no way differs from their condition in 1913. This year 186,000 young workers are employed as messenger boys, porters, etc. and 250,000 are working in hotels, clubs, and restaurants, where the working day is often as long as 12 hours or even longer. Many youths are working as elevator boys, in gardens, etc., in reality serving a small group of parasitic elements.

The Anderson Commission, which investigated child labor in Egypt in the winter of 1930, reports that in Egypt only a small part of the women workers are adult women, while the majority are children seven or eight years of age. Until very recently the work of cleaning and operating machines in the old factories was performed by children, for the most part not over nine or ten years of age and in no case older than fifteen. As a result, there is an unusually large number of accidents among these children. There are no safety regulations whatsoever.

In the United States, despite the fact that official reports record that existing industrial conditions are destructive to the physical and spiritual development of child workers, all attempts at securing a unified federal law for the protection of child labor have so far failed. According to data of the factory inspectors, out of a total of 12,176 young workers in New York State 3,611 were working illegally, some of them in dangerous industries, and 2,836 either had no labor certificates or were working longer hours then specified by law. In the United States as well as in Europe the factory inspectors are charged with the duty of seeing that the laws regulating child labor are carried out. However, the ineffectiveness of these laws is indicated by the fact that out of 924 cases prosecuted in New York for the violation of child-labor laws only 204 manufacturers were fined, that is, less than one-fourth. All the others

received only conditional sentences.

The investigations of the Wheatley Commission in India and the Anderson Commission in Egypt have shown that matters are still worse in the British colonies. They are equally bad in China and Japan.

In the Soviet Union, on the other hand, the employment of children under sixteen in industry and transportation is forbidden, while all employed youths over sixteen receive the same wage as adults performing the same work. Young workers are trained without any cost to themselves and receive pay while learning. The masses of the Soviet Union cannot understand how it is possible to exploit and exhaust children instead of teaching them and developing their powers. Child labor in the capitalist countries appears to the Soviet workers as a symbol of extreme backwardness, as utter barbarism. An investigation by the United States Department of Labor in the canning industry in seven states revealed that out of the total number of young workers under sixteen years of age employed in this industry, 78 per cent worked illegally, i. e., they were younger than the legal age limit. Sixty-nine per cent of the total number of young workers toiled ten hours a day or more, 22 per cent twelve hours a day or more, and 37 per cent worked nights.

It will be useful to supplement this review with some statistics characterizing the economic conditions of the proletariat in the capitalist countries. For the purpose of analyzing the movement of wages we shall deal with the three leading capitalist countries, Germany, England, and the United States. In France the data regarding wages of workers in that country compiled by the "experts" is so poor that we shall touch upon them only in passing.

The movement of wages, both nominal and real, of industrial workers in Germany is given in the following table:

Year	Employment index	Cost of living index	Nominal wages (total fund) index	Real wages (total fund) index	Ratio of wages to minimum budget	Ratio of taxes and other obligatory payments to wages
			(in per cent)			
1913/14	100	100	100	100	87.1	—
1925	96	140	121	86	77.8	7.0
1926	85	141	115	81	74.4	9.0
1927	94	148	133	90	85.1	10.0
1928	94	122	143	90	87.1	11.0
1929	90	154	143	93	85.0	11.0
1930	79	147	126	86	77.7	13.0

If we refer to the latest data of 1931, we find that the wages of the German worker are being systematically lowered. In 1930 the average weekly wages of the German worker amounted to 51.1 marks; in 1931 they were lowered to 30.25 marks. The data of the German economist Kuczynski * confirm the trend indicated by us. From the table given above it is clear that in comparison with the pre-war period, when the wages of the German worker were already entirely insufficient for the maintenance of his family, the economic condition of the German worker has become considerably worse.

Bourgeois economists in the United States established a worker's budget constituting the minimum necessary for the maintenance of a family of five. In the years preceding the crisis it amounted to $ 2,100 a year, the so-called budget that guaranteed a healthy maintenance of existence. According to statistical data which take no account of unemployment, wages of the majority of skilled workers amounted to only 74 per cent of this minimum wage in the year 1929; of unskilled workers to only 58 per cent; and in some branches of industry, the textile industry, for example, the average wage amounted to only 42 per cent of this minimum.

* J. and M. Kuczynski, Die Lage des deutschen Industriearbeiters.

According to Kuczynski, the purchasing power of the American worker in 1928 represented only 70 per cent of his purchasing power in the year 1899. The actual income of the worker in the year 1928 represented only a little more than half, namely, 56 per cent, of the minimum necessary for the healthy maintenance of a family. In this connection it must be remembered that the year 1928 was a year of "prosperity", a year in which the working class of America found itself in an unusually favorable position. The ratio has become much smaller in the crisis years 1930 and 1931. The changes which have taken place in the year 1929-30 in the material conditions of the working classes in the countries of capitalism and in the Soviet Union are clearly visualized by the following data: In the United States wages of industrial workers have decreased by at least 20 per cent, in Germany by 10 per cent. In the Soviet Union wages of industrial workers have increased by 30 per cent; of industrial and construction workers by 37 per cent.

In this way does the U. S. S. R. compare with the "mighty powers" of capitalism. There has been a rapid growth not only in the total amount of wages but also in the actual number of workers, due to the extensive construction work being carried on in the U. S. S. R. We should also bear in mind that in the above statistics the socialized part of wages was not taken into account. The American bourgeoisie spends 11 billion dollars, almost one-third of its income, upon unproductive expenditure, while social insurance is practically unknown in the United States. *

We have already indicated that in capitalist countries there can be observed a continual increase in the intensity of labor. At the same time, there is a continual decrease in the total amount of wages and in the individual earnings of workers. In the Soviet Union such a situation is naturally impossible. In capi-

* For the United States we have taken the data from the "Monthly Labor Review", 1931, No. 2. The decrease in wages is indicated only partially, since the statistics do not take into consideration the closing down of factories. For Germany we have taken the data from the "Reichsarbeitsblatt", 1931, No. 15, pp. IV-234 and from the "Amtliche Nachrichten für Reichsversicherung", 1930, No. 12.

talist countries we observe an analogous situation with reference to the working hours, the increase in which constitutes part of the decisive offensive of the capitalists upon the material conditions of the workers.

In Germany, for instance, over 54.7 per cent of the workers work more than 48 hours per week, over 13 per cent more than 54 hours per week. According to an investigation made by the German Association of Trade Unions in February, 1930, 75.6 per cent of the workers were working more than 48 hours per week.

In England the question of nullifying the eight-hour day for miners occupies the center of attention, although this law was established by the conservative Baldwin Government in 1926. According to official information, over 100,000 miners worked more than the established working time in 1930.

In the United States in 1927 the working hours in 25 industries, excluding mining, averaged 49.6 hours per week; in 1928 the average working week in the cotton textile industry was 53.4 hours. In 1926 the average working week in the woolen industry was 49.3 hours and in the steel industry 54.4 hours. The lengthening of the working day has been especially noticeable in recent months. The Monthly Labor Review of March, 1930 gives typical data regarding the duration of the working week in the oil industry of the southern states in 1930. Drillers worked from 48 to 80.3 hours a week, crane workers from 48 to 84 hours, mechanics and pump workers from 48 to 81.5 hours, stokers from 48 to 82.1 hours, laborers from 48 to 65 hours, drivers from 48 to 70 hours, toolmakers from 48 to 81.4 hours. From this it may be seen that capitalism does not limits its ruthless exploitation to the unskilled and unorganized workers.

Czechoslovakia was one of the countries which after the world war established an 8-hour day for industrial and agricultural workers, a law to that effect being adopted in 1921 However, after the law was enacted overtime hours continued. Overtime hours totalled 1,934,949 in 1927, 17,787,426 in 1928, 15,331.331 in 1929, and 16,277,873 in 1930.

 We could cite further figures regarding Poland, Italy, France,

Switzerland, Estonia, Brazil, Australia, etc. However, we shall limit ourselves to the Fifteenth Conference of the International Labor Office in Geneva, which completed its sessions on June 18, 1931, and adopted proposals regarding working hours in the coal mines. These proposals limited the working time of underground workers in the coal mines to 7¾ hours a day. But, if we take into account all the "normal and extra overtime" permitted by these proposals, we must come to the conclusion that the International Labor Office has actually established for the coal miner a working-day which ranges from 8½ to 9 hours. These are facts representative of every-day conditions prevailing in the countries of "Organized" capitalism.

All these facts make it possible to compare the two forms of competition. On the one hand, there is the competition of the workers in the U. S. S. R., which has as its aim to attain the highest output, to improve the technique of production, to increase productivity, to draw new masses into the production process, to improve systematically the material and cultural welfare of the working class. On the other hand, there is the competition of the bourgeoisie in the capitalist countries directed toward the highest increase of personal gain, at the expense of systematically lowering the standard of living of the working class accompanied by rapacious exploitation of labor, excessive and extravagant waste, non-utilization of the latest achievements in technique, and limitation of the productive forces of labor.

It is not necessary to be especially farsighted in order to predict which of the two forms of competition will in the near future determine the direction and development of world economy.

GLOSSARY OF SOME SPECIAL TERMS USED

Census industry - All industrial establishments employing 15 workers or more and using mechanical power and all those where no mechanical power is used but employing at least 30 workers.

Contracting - System by which the individual peasants and the collective farms enter into agreements with state or cooperative organizations to sell a given quantity of their products. Advances in money, machinery, or supplies are extended on these contracts.

Control figures - The annual program for the entire national economy.

Counter-plan - Unofficial plan worked out by the workers in a factory, mill, mine, or on a state or collective farm on the basis of their intimate knowledge of the possibilities of their particular enterprise. Such a plan usually calls for higher schedules than those of the official plan (industrial-financial plan) assigned to the enterprise by the higher planning bodies.

Economic accounting (business basis) - One of the basic principles underlying the organization of Soviet industry. It aims at putting each unit in the industrial structure - from the "united industries" (see below) to the factory department or even the factory work bench - upon a strict accounting basis and to make each unit individually liable for its obligations and, as far as possible, financially self-supporting.

Industrial-financial plan - The annual plan (based on the Control Figures) assigned to the individual enterprise (factory, mill, mine, or farm) by the higher planning bodies. It includes definite schedules for all phases of activity of the enterprise - amount and quality of output, production costs, labor productivity, working and living conditions of workers, etc.

Machine-tractor station - A center supplying mechanical power and technical equipment to collective farms. It operates on the basis of agreements with the collective farms, whereby the station is obligated, in return for monetary payments

or a share of the crop, to perform with its tractors and machinery all the necessary work on the lands of the collective farms served by it, to give these farms the advisory services of its agronomical staff, and to make all necessary repairs in its shops.

Shock brigades - Voluntary groups of workers who assume the initiative in setting the pace in their respective factories, mines, state or collective farms, etc. They also go, in case of need, to assist other enterprises or farms which are behind with their schedules.

Socialist competition - Friendly competition among branches of industry, individual enterprises, various departments of the same enterprise, or individual workers to increase the quantity or improve the quality of output, to reduce costs, or to exceed the plans for a given period in any respect.

State large-scale industry - All those industries in the Soviet Union which have been nationalized and placed under the direct supervision of the state (Supreme Economic Council or Commissariat for Internal Supply). It now embraces practically all (about 95 per cent) of large-scale industry.

United industries - The highest link (next to the two directing commissariats - the Supreme Economic Council and the Commissariat for Internal Supply) in the organization of Soviet state industry. Those united industries connected with supplying the country with food are under the supervision of the Commissariat for Internal Supply; all others are under the supervision of the Supreme Economic Council. A united industry regulates the work of all the trusts and enterprises in a certain branch of industry, and, in addition to its administrative functions, handles supplies (raw materials, fuel, equipment, etc.) marketing, and financing.

Workers' faculties - Special schools for preparing factory workers for the higher educational institutions.

DISCUSSION BY Dr. LEWIS L. LORWIN, Institute of Economics of the Brookings Institution, Washington, D.C.

I wish on my own behalf to express my appreciation of the opportunity which the U.S.S.R. has given us, to listen to a presentation of their own understanding of the Five-Year Plan of the Soviet Union. If I am not mistaken, this is the first time that any official delegates from the Soviet Union have come out and told the Western world their own version of the story, and to that extent I think this is a historic precedent which I hope will be followed by frequent meetings in which we will all sit around and discuss in a friendly and objective manner questions of policy, of organisation and of differences.

The differences are many, I must say, and I am sure that the delegates from the Soviet Union themselves realize fully how great these differences are. But in a short discussion such as we have this evening, it is out of the question to try to cover the ground fully. It is not very important or of much consequence to make one or another particular point against this or that aspect of the subject, this or that statement of the Russian delegates. What we are trying to do here is to get a total picture with the aid of which we may be able to follow more fully, and with greater understanding, what is happening in Russia. That is what I hope our discussion will help us to do. For my own part I should like to see this discussion continue on the high level of realism, of fairness and of courtesy, which it has so far maintained.

To my mind, the presentation this afternoon, raised four different kinds of questions, and I imagine that to most people who participate in discussions on Soviet Russia, these same questions usually come.

As you may have noticed from some of the things I said today, I am given to somewhat systematic classifications. I do not know that they are always correct, but they help me to think more clearly.

The first type of question we are all interested in, are questions of fact - for facts are extremely difficult things to get at. It is not always the case - as many people think - that because a situation is presented differently, there is a conscious or unconscious misrepresentation of facts. I once heard a very

eminent historian in the United States deliver a lecture on the meaning of history, which he began with the question: What is a fact? He then continued to deliver his lecture and at the end of an hour, when he left, he said: My question still remains unanswered. Therefore I think it is not an easy matter for any delegation to present a series of facts in such a manner as to answer all the questions in our minds.

But in listening to many of the facts presented here to-day, my appetite was whetted - I wanted to know more, and, if possible, to have further facts brought into the picture.

We are told that production in Russia has increased very rapidly. I have no doubt that this is a fact. I spent 10 months in the Soviet Union in 1921 and 1922 during the great, disastrous and tragic famine which Russia went through at that time. I had opportunity to travel thousands of miles from one end of the country to the other and had to describe that famine to the American people, to arouse interest in and sympathy for the starving millions. I saw at that time a country in a condition which I never expected to see and do not want or hope ever to see again in my life, a country which was breaking at every point. Factories were closed, workers sitting aimlessly, day after day, not knowing what to do with themselves, thousands of people searching for food, carrying their belongings, trying to exchange broken furniture for food. In those days I would never have believed that it would be possible, for any group of people, to have the courage and persistence and energy to take the task into their hands and pull the nation out of that terrible situation.

When I went to Russia again, in 1928 and 1929, and saw what had happened in the intervening years, it seemed that a miracle had happened, or rather had been performed by a group of people who, regardless of all the serious mistakes they have made, and, in my opinion, they have made many, have none the less been able to accomplish a marvellous piece of organization, of reconstruction and of economic progress.

I admit all this - but nevertheless, if I had to deliver a lecture to my class and if my class were intelligent, I would have to tell them that all I know from the presentation made by our

Russian friends this afternoon in relation to production is, that the acreage under cultivation, the acreage for cotton, wheat, etc., has increased. We have, however, not been told whether the output has increased also. I do not say that the output has not increased, but I do say that the figures which vaguely run through my mind as I speak, have shown many serious fluctuations and deficiencies.

I say this on the basis of statements made by the Russians themselves, for they are extremely frank about their condition. It is one of the errors of outsiders to believe that Russians are continuously boasting about their condition - I who come from America know what boasting is! The Russians do not boast. they are the most self-critical people in the world. Of course. when they come out before the rest of the world and are in front of a lot of enemies, or even of such friends as we are here, they take on a "defense mechanism" as we say in psychoanalytical language, they begin to bristle and tell us only the favourable things, just as we in America show foreigners only the better factories.

Nevertheless, I know that the cotton output has not increased in proportion to the cotton acreage. And these are the kind of facts which would interest us very much. We are a group of people who have travelled thousands of miles to study economic planning. We want a real picture - and it would be much more complete if. with the acreage. we could get the output. or. with the output. the acreage.

The same statement applies to the increase of industrial value. Industrial output can be measured. as we all know. either in quantities or values. It does not tell any one of us much to learn only the increase in values.

I have had occasion to look through the census statistics of the United States and found that a number of industries. which in 1922 were flourishing. in 1929 had suffered considerable decrease in value. It was curious but simple. since these were industries where decreases in selling price were considerable: therefore, though the output had increased. the value had decreased. It is also possible to have a reverse situation. You can have a large increase in value in Russia because prices are fixed in

a certain way, and in Russia this is done with regard to general social policies. If we knew how much suit policy there was in the price of each article, we would know a great deal more than we do to-day, and these are the facts which I hoped might have been brought out.

The second type of question that arises in my mind, is that of the comparative presentation of facts. Here again, there is opportunity for disagreement solely on account of differences in points of view or in the basis of calculation.

But there is one particular point in the presentation by the Soviet Delgation which I have had occasion to refer to before, and which I may perhaps mention here as I think that it may be useful for the Soviet people to know how we feel about these matters.

As a student of history, I am not excessively impressed by the increase in industrial output in the Soviet Union, for two reasons: one is that every industrial country in the early stages of industrialisation makes very rapid progress. If you take the history of American industrialism and study developments between 1875 and 1889, you will find that it was a period of very rapid development of agriculture and of various industries, and that the percentage of increase in certain industries, like iron and steel, or boots and shoes, glass etc. was very high. That was a natural situation. To my mind it does not prove anything beyond the fact that you can make as rapid progress under socialisation as in capitalistic economy. It is not so striking to us as it is to the representatives of Russia who are in the midst of these developments and who are affected psychologically by these changes.

Another important point is one of statistics: if you start with one apple and buy another one you have 100 % increase, but if you have two apples and buy another one, you have only a 50 % increase The Russian percentages are large because they started with a small base. Even though Russia has made enormous progress, which I am one of the first to admit, we must, for a proper understanding of the process, remember that after all their figures are still comparatively small, and that as their industry increases the percentages will decrease.

We have figures showing that the increase in the percentage of consumption of meat, for instance, between 1921/22 and 1929/30 was 24 %. If they continue to increase the consumption of meat at that rate indefinitely, every man will have to eat a whole cow a day! Evidently the percentage will have to drop.

Now the third type of question that I think we are all interested in deals with policy. The question is: Even if we should approve whole-heartedly the idea of socialistic economy, can we say that at every moment and on every point in the last 7 or 8 years, every policy carried out under the Soviet planned economy was the only wise and possible policy and that it had the best results?

I would hesitate to think that any group of people would assume that degree of infallibility.

We might ask, for instance, are the reasons for the rapid development of heavy industry in Russia entirely and purely economic? Was it necessary to carry on the process of industrialisation in Russia at the rapid pace at which it has been carried on under great suffering for the people, suffering which cannot be denied - and no Russian denies it. Has it at every point been economically most advisable to push one industry at the expense of another, to carry collectivisation to the extreme? There have been differences of opinion in the communist party itself, and these continue to exist in the Soviet Union. When the Russians get together among themselves and talk Russian to one another, they talk about these differences - it is part of their life. That is what I want to bring out, namely that you have the problem of balancing differences of points of view, of group interests, even under socialistic planned economy, just as you would have it under capitalistic planned economy.

There is another, rather delicate question. No country to-day carries on its economic life without regard to military issues - I think we all agree on that. I know how the United States is planning policies with a view to possible preparations for the next war. Of Russia, undoubtedly, it may be said that a large part of its economic development in the last ten years was directed with a view to possible international complications, and

that, while it might have been advisable, for instance, to develop one industry at the expense of another, it was necessary to industrialize Russia rapidly so as to be prepared to call on her own resources in case of military difficulties.

Finally, I want to touch briefly upon the last type of question, which, I think, after all interests us most, namely: What can the Western world learn from Russia? That of course is a very big issue, and I have only time to touch upon one point and that is the question that was stressed here all afternoon, namely that of the socialist basis of planning versus private or capitalistic planning.

As I pointed out in the printed report which I prepared, the question of property, of ownership, may be a serious issue because it is frequently the question of w h o controls the means of production and w h o owns them which determines the opportunity to carry out certain policies. But the transfer of property alone does not solve the problem of technical and economic use. This was denied this afternoon and we heard that the advantages of Soviet Russia as compared with the rest of the world were due largely to the fact of common and collective ownership as a means of production.

I admit that in certain ways this is an economic gain. It may certainly be an economic gain to have eliminated the large element of economic parasites which exists in modern society everywhere. But no one has as yet made a calculation as to what is the cost of carrying on industry either under a socialistic or under a capitalistic system.

Aside from that, while believing in the fundamental idea of planning, I want to emphasize the fact that you do not change your problems by changing your ownership. This is more or less borne out by the experience of socialist Russia.

With socialist ownership you still keep your technical problems and your problems of coordination.

Stalin's published speeches of recent date prove what we all know - that the Soviet Union is no more a perfect state than any other in the world to-day. It is making progress - slowly and painfully - and it is proving what to my mind is historically inevitable, that at any rate in the Eastern countries, in the

newer countries like China, Russia, etc., the process of industrialisation must be carried on more or less collectively - on a collective basis.

The big problems which face the Soviet Union - and which, as I said before, cannot be solved by reference to the question of ownership, are chiefly concerned with the training of the workers.

I hope that we will all have further opportunity, before this Congress is over, to enlighten ourselves through further discussion and that we shall thereby increase that understanding of the Soviet Union by the Western world, for which Mr. Ossinsky pleaded so warmly this afternoon.

DISKUSSION VON PROF. F. WILKEN, Privatdozent der Nationalökonomie und Soziologie an der Universität zu Freiburg i.Bad.

Heute sind zwei Formen eines Wirtschaftsplanes vor uns hingestellt worden. Die eine stammt aus dem Westen, die andre aus dem Osten. Im Westen entstand der Taylorismus, im Osten der Gosplan und das ganze Sovietsystem.

Der Taylorismus ist ein System der Benutzung der menschlichen Arbeit innerhalb der Werkstätte unter dem Geischtspunkt des Sparens an Kräfteaufwand. Und es ist natürlich einigermassen paradox, dass in einer Zeit, wo man überall an „Ueberfluss" leidet: an zuviel Produktivität, an zu viel Gütern, an einem Uebermass von menschlicher Arbeitskraft, dass da der Taylorismus das Mittel sein sollte, um dem abzuhelfen. Ja, man muss erkennen: in diesem Ueberfluss, den wir heute an Arbeitskräften haben und an Möglichkeiten, uns mit Gütern zu versorgen, liegt eigentlich ein Anzeichen dafür, dass wir Verschwendung treiben dürfen mit menschlichen Arbeitskräften und mit Gütern. Und diese Verschwendung ist von grösster Bedeutung für die Verwirklichung desjenigen, was wir die persönliche Freiheit des Menschen nennen. Der Taylorismus bewirkt nach seinem Wesen eher das Gegenteil, er ist eine Organisationsform, welche den Menschen in der höchsten Anspannung seiner Kräfte halten möchte, jede Bewegung der freien Selbstbestimmung entziehen möchte.

In Deutschland sehen wir in steigendem Masse die Erkenntnis

reifen, dass das Problem, das wir zu lösen haben, die Herabsetzung der Arbeitszeit, jedoch unter Aufrechterhaltung des Einkommens betrifft. Das Taylor-System steht aber auf dem Hintergrunde, soviel zu produzieren als möglich. Und das will der russische Gosplan auch. Der Gosplan bildet überhaupt nichts eigentlich Russisches. Ja er ist durchaus un-russisch. Man muss fragen: was ist denn eigentlich der Unterschied zwischen dem russischen 5 Jahres Plan und dem Taylorismus? Der Taylorismus ist typisch kapitalistisch. Der ganze Geist des Kapitalismus steckt im Taylorismus. Er ist beherrscht vom Geist der Mechanik und des nur technischen Denkens. Es wird unter diesem Denken alles mechanisch, intellektualistisch, materialistisch, einerlei ob es sich um technisch-mechanische oder gesellschaftlich-moralische Fragen handelt. Was unterscheidet diesen Gosplan eigentlich von dem amerikanischen Taylorismus? Die Frage ist, ob dieser Sovietplan grundsätzlich über das Taylorwesen hinauskommt oder nicht. Ist vielleicht der Gosplan oder das ganze Wirtschaftssystem des Bolschewismus nichts andres als das auf die Spitze getriebene Taylorprinzip, oder ist es mehr als wir bereits kennen und haben?

Die grosse Blüte, die dieses russiches Wirtschaftssystem zur Zeit besitzt, liegt ganz offenbar vor allem darin, dass Russland heute vor ein Problem gestellt ist, das die übrigen kapitalistischen ungeheure Arbeitsleistungen, um einen Industrieapparat zu bedustrialisieren. Für eine gewisse Zeit also braucht Russland ungeheure Arbeitsleistungen, um einen ndustrieapparat zu bekommen, den andre bereits haben. Das erklärt, warum es in Russland keine Arbeitslosigkeit gibt sowie wir sie kennen. Aber Russland wird vielleicht in drei, vier Jahren dasselbe Problem haben.

Es entsteht also die Frage: Was offenbaren uns dieser Gosplan und die ganze russische Wirtschaft, und die treibenden Kräfte dieser Wirtschaft, geben sie uns etwas neues? Steckt in ihnen eine neue Idee? Das ist die entscheidende Frage und mir will es scheinen, dass wir im ganzen russischen Wirtschaftssystem im Grunde haben das absolut gewordene Taylorsystem, d.h. ein Taylorsystem, das nicht einen bestimmten Teil des menschlichen Daseins ergreift, sondern - gemäss den Prinzipien der materia-

listischen Geschichtsauffassung - das gesamte Leben des Menschen regulieren möchte, wie überhaupt der Bolschewismus sich über die ganze Welt verbreiten möchte mit seinen Prinzipien. Das intellektuell und mechanisch Festgelegte, also das Fabrikmässige, soll im System des Bolschewismus alle Lebenserscheinungen durchgestalten. Angesichts dessen entsteht die entscheidende Frage: Kann man nicht zu viel organisieren, kann man die Planwirtschaft nicht übertreiben?

Ich habe einen Fall erwähnt, nämlich die Herabsetzung der Arbeitszeit für die arbeitende Menschheit. Das sind im Grunde Fragen, die den Produktionsidealen des Taylorsystems entgegengesetzt sind, und die auch in Russland kaum Probleme werden können aus den augenblicklichen Notwendigkeiten, einen Industriestaat grossen Stils aufzubauen. In Russland haben wir doch, wenn wir es genau betrachten, ein durchaus kapitalistisches System und im Grunde genommen zeigt es uns alle die Kräfte, die wir schon kennen. Wir finden, dass die Autorität, die den westlichen Kapitalismus leitet, die persönliche Autorität des Unternehmers, verschoben ist in die kollektive Autorität. Einer der russischen Vertreter hier sagte: „Die Kollektivität ist der einzige allmächtige Herr". Ich glaube im Sinne aller westlichen Menschen zu sprechen, wenn ich sage: W i r w o l l e n k e i n e H e r r e n. Das Problem im Westen ist, gerade mit den persönlichen Freiheitskräften dasjenige zu machen, was in Russland mit der Autorität der Gesellschaft in einer unpersönlichen Form gemacht wird. Es steht da immer eine diktatorische Autorität hinter der Wirtschaft, gegen die der westliche Mensch sich mit allen Kräften wehrt. Man hat das Gefühl, in Russland wird man eingespannt wie in das laufende Band einer Taylor-Fabrik.

Ich möchte zum Schluss noch sagen: Das Problem, vor das wir gestellt sind ist, dass dasjenige was in Russland aus gesellschaftlichem Zwang getan wird, in den kapitalistischen Ländern aus der individuellen Freiheit heraus vollbracht werden muss. Das ist ein viel schwereres Problem, dass man im Westen den Menschen in einen sozialen Organismus hineinstellen muss, in welchem aus den freien Entscheidungen derjenigen, die in der Wirtschaft arbeiten, das getan wird und solche Pläne gesamt-

wirtschaftlicher Natur durchgeführt werden, wie es in Russland nur mit den Mitteln einer gesellschaftlichen Diktatur erzwungen werden kann.

Für einen Kongress, wie diesen, ist es von grösster Bedeutung sich zu besinnen auf die Grenzen aller Planwirtschaft, die da sich auftun, wo die lebendigen Dinge anfangen. Der Plan wirkt im Bereich des Lebendigen immer nur als ein totes Gerippe. Es muss mit Fleisch und Blut, d.h. mit dem Lebendigen, umkleidet werden. Man muss das Lebendige, das Menschliche eben. um und über den Plan bringen, nicht unter ihn. Das ist eine Aufgabe, die im taylormässigen Denken schwer zu erfassen ist. denn sie enthält die Begrenztheit der Möglichkeiten einer tayloristisch gefassten Planwirtschaft.

DISKUSSION VON HERRN Dr. F. POLLOCK, Institut für Sozialforschung an der Universität zu Frankfurt a.M.

Die meisten in diesem Saale hier seien dem Geiste des 18. Jahrhunderts verfallen. sagte uns heute Morgen Herr Prof. Briefs: derselbe Glaube, oder wie er meint, derselbe Aberglaube an die Vernunft, der die französische Aufklärung charakterisiere, liege auch unsern Diskussionen zu Grunde.

Das ist nur zum Teil richtig: Die führenden Geister des 18. Jahrhunderts haben an die Macht der Vernunft geglaubt. aber in einem viel weiteren Sinne, als die hier von Herrn Briefs angegriffenen Redner. Sie glaubten, dass die Natur selbst vernünftig sei, und dass sich diese Vernunft in den Wirtschaftsgesetzen verwirkliche. Aber es ist gerade diese These, der die meisten von uns die Gefolgschaft verweigern.

Hier ist der Punkt, wo sich in allen wirtschaftspolitischen Fragen heute die Geister scheiden: die Einen meinen, dass die Politik des „laissez aller" immer noch das einzig Vernünftige in Wirtschaftsdingen sei. dass alle Einmischung in die Naturgesetze der Wirtschaft den Menschen nur zum Verderben werden könne, dass es zur Behebung etwaigen Schadens auch heute höchstens einiger kleiner Korrekturen bedürfe. Die andern, zu denen auch ich mich zähle, sind der Ansicht, dass die im vergangenen Jahrhundert segensreichen Grundsätze der liberalistischen Wirtschaftspolitik heute unhaltbar geworden sind, dass es

unerträglich und der Menschen unwürdig ist, sich auf das Walten dieser blinden Gesetze zu verlassen. Gewiss hat das System des „laissez faire" ungeheure Kräfte entfesselt, aber diese sind jetzt den Bedingungen entwachsen, aus denen sie geboren wurden. In dem Masse, wie die Wirtschaftsverflechtungen und die Wirtschaftseinheiten grösser geworden sind, wird der Selbstheilungsprozess der Wirtschaft immer schmerzhafter und barbarischer. Die Selbstheilungskräfte der Wirtschaft können auch heute noch die Schwierigkeiten der Krise überwinden. Aber das geschieht auf eine analoge Weise, wie in diesen Wochen der Yangtsekiang in China das Problem lösst, seine Wassermassen zu Tale zu bringen: unter grauenhaften Qualen für die davon Betroffenen und unter ungeheurer Zerstörung von Menschenleben und Werten.

Viele unter uns, auch ich, glauben an die Macht der menschlichen Vernunft, diese blinden Naturkräfte zu beherrschen, und dieser Glaube wird gestärkt in einem Lande wie Holland, in dem der Kampf des Menschen mit den Naturgewalten des Meeres planmässig und beispiellos erfolgreich durchgeführt wird. Aber um denselben Erfolg im Kampf mit den wirtschaftlichen Elementarkräften herbeizuführen, dazu braucht man praktische Vorschläge und Klarheit über die Konsequenzen dieser Vorschläge.

Einen Schritt zur Verwirklichung der ersten Forderung bilden die Abhandlungen und die Vorträge von Prof. Lorwin und Dr. Neurath. Aber sind diese beiden hervorragenden Theoretiker auch über die praktischen Konsequenzen ihrer Vorschläge ganz im Klaren? Wissen sie, dass - wenigstens nach meiner Meinung - jeder ernsthafte Versuch, auf Basis des Privateigentums an den Produktionsmitteln und des Marktmechanismus eine Planwirtschaft durchzuführen, notwendig zur Aufhebung der Grundlagen führen muss, von denen er ausgegangen ist? Die Einsicht in diese Konsequenzen muss aber starke Ausstrahlungen auf das soziologische Gebiet zur Folge haben. Denkt man darüber weiter nach, dann werden sogleich die leidenschaftlichen Widerstände sichtbar, die sich gegen jeden ernsthaften Versuch einer planwirtschaftlichen Ordnung des Wirtschaftsprozesses stemmen werden.

Auf die gegenwärtige Welle der Begeisterung für Planwirtschaft

wird notwendig eine schwere Reaktion folgen, die umso heftiger sein wird, je weniger man sich über die Tiefe des Eingriffes bewusst ist, der in der Anwendung planwirtschaftlicher Prinzipien auf unsere heutige Wirtschaftsverfassung liegt. Soll man also die Hände in den Schoss legen und resigniert dem Zerstörungswerk der Naturgewalten der Wirtschaft zusehen? Ich glaube nicht. Man sollte im Gegenteil die Arbeit verdoppeln, um immer konkreter zeigen zu können wie man den heutigen Wirtschaftsmechanismus durch einen besseren ersetzen kann, auch wenn auf solche Vorschläge nicht mehr - wie heute bei Prof. Lorwins Vortrag - stürmischer Beifall, sondern heftiger Widerspruch ertönt. Man soll geduldig weiterarbeiten, damit in dem Augenblick, wo die menschliche Vernunft endlich in den Besitz der Macht gelangt, das Wissen darüber da ist, wie die Wirtschaft gestaltet werden muss, um sie aus einem Herrscher über die Menschen zu ihrem Diener zu machen.

INTERNATIONALE PLANUNG DER WIRTSCHAFTSZWEIGE

VON Dr. MELCHIOR PALYI, WISSENSCHAFTLICHER BEIRAT DER DEUTSCHEN BANK- UND DISCONTOGESELLSCHAFT, PROFESSOR AN DER HANDELSHOCHSCHULE, BERLIN.

Die moderne kommerzielle und industrielle Wirtschaftseinheit ist bekanntlich weitgehend durch eine Expansionstendenz charakterisiert, die zum Teil durch die Kostengestaltung in bestimmten Industrien bedingt ist: wenigstens zeitweilig gelten abnehmende Kosten pro Produkteinheit bei Erweiterung der Produktion. Zu dem Einfluss der Kostengestaltung kommen noch andere Faktoren hinzu, um in der gleichen Richtung zu wirken. Landesgrenzen, mögen sie mit natürlichen geographischen Grenzen zusammenfallen oder künstlich gezogen sein, können sich in dieser Entwicklung zu grösseren Betriebs- und Kapitaleinheiten als Hemmungen geltend machen; dass die Hemmnisse dieser Art keineswegs unüberwindlich sind, hat die kapitalistische Entwicklung der Vorkriegszeit bereits zur Genüge gezeigt, und dasselbe ist durch die Nachkriegsentwicklung in vielleicht noch erhöhtem Masse belegt worden.

Bereits vor dem Kriege gab es eine bedeutende Anzahl von internationalen Kartellen; man zählte davon nach einer amerikanischen Schätzung hundertzehn, die sich nahezu alle auf europäische Industrien erstreckten. * Dazu kam eine beträchtliche Anzahl von Grossunternehmungen, die mit ihren Filialen weit über die Landesgrenzen reichten. Es ist also eine Verkennung der wirklichen Tatsache, wenn in den internationalen Kartellen und Konzernen eine spezifische Entwicklung der Nachkriegszeit gesehen wird: wenn auch zuzugeben ist, dass ihre Zahl nach dem Kriege wesentlich zugenommen hat. Die Motive für diese Expansion über die Grenzen sind sehr mannigfacher Art. Bei näherem Zusehen ist nicht die grosse, sondern die verhältnismässig kleine Zahl der internationalen Einheiten erstaunlich. Es liegt normalerweise gar kein Grund vor, dass z.B. eine Unternehmung, die ihren Standort an der Landesgrenze hat, nicht eine Filiale jenseits der Grenze errichten oder mit dortigen Unternehmungen nähere Verbindungen eingehen soll. Gemeinsamkeit

* Vgl. William F. Notz, Representative International cartels, combines and trusts. — U. S. Bur. Foreign & Domestic Commerce. Trade Promotion Ser. Nr. 81. 1929. Pp. 76.

der Rohstoffinteressen oder der Absatzfragen, der Kapitalbeschaffung, persönlicher oder sogar verwandtlicher Beziehungen u.s.w. mögen ebenso viel Motive für derartige Unternehmen abgeben. Aber auch von der Nachbarschaft der Lage abgesehen, kann es in zahlreichen Fällen für eine Unternehmung sehr viel interessanter sein, ihrer natürlichen Wachstumstendenz - soweit eine solche vorliegt - eher im Auslande als im Inlande zu folgen, wenn entweder die Absatzchancen draussen günstiger sind oder billigere Kapitalbeschaffung, billigere Rohstoffquellen und sonstige Vorteile locken. Nach dem Kriege kommen auch steuerliche Gesichtspunkte in starkem Masse in Betracht, Kapitalflucht und anderes mehr. Dazu kommt schliesslich die Vervielfachung der Grenzen durch das Entstehen neuer Länder in Europa. Kein Wunder, wenn sich nach dem Kriege die Zahl der internationalen Wirtschaftseinheiten sehr bedeutend vermehrt hat; es bedarf freilich der Erläuterung, um die Vervielfachung und insbesondere das Entstehen gigantischer Kartelle und Konzerne zwischenstaatlicher Art verständlich zu machen. Es empfiehlt sich, dabei verschiedene Typen zu unterscheiden, die zum Teil völlig verschiedene Funktionen erfüllen.

1. Das Warenexportgeschäft bringt naturgemäss Affiliationen mit sich, sei es, um eine kommerzielle Basis im Auslande zu schaffen, sei es, um durch Reparatur- und Montierungsbetriebe die heimische Fabrikation auf die wichtigsten Bestandteile der Produktion beschränken und im Absatzlande den ausländischen Charakter der Ware durch Inlandsmarke ersetzen zu können; sei es vor allem, um einen Nachteil im Konkurrenzkampf auf fremden Märkten standortmässig und aus zoll- oder steuerpolitischen und ähnlichen Gründen auszugleichen oder um sich einen Vorsprung zu sichern. Das Gros der internationalen Verflechtung von Industrie- und Handelsunternehmungen gehört in dieses Kapitel. Es bedeutet nicht eine Organisation der Weltwirtschaft, sondern eine Ausweitung des Konkurrenzkampfes über die Landesgrenzen hinaus und wird durch die protektionistische Tendenz der heutigen Wirtschaftspolitik auf doppelte Weise gefördert. Die Errichtung neuer und erhöhter Zollschranken zwingt den ausländischen Konkurrenten, seine Pro-

duktion in erhöhtem Masse in das zollgeschützte Inland zu verlegen. Ferner bedeutet die Anzahl von Subventionen und Ausfuhrprämien aller Art, die sich nach alt-merkantilistischem Muster neuerdings wieder grosser Beliebtheit erfreuen, gelegentlich auch einen Anreiz, um ganze Unternehmungen zu exportieren.

Nicht eine Beseitigung oder auch nur Schwächung des internationalen Konkurrenzkampfes, sondern eine Ergänzung und Verstärkung desselben erwächst aus dieser Verflechtung, die durch Errichtung von Filialen im Auslande, Beteiligung an Unternehmungen, Partnerships und Konzernbildung auf internationaler Basis u.s.w. entsteht. In ähnlichem Sinne wie beim reinen Warengeschäft hängt auch bei Banken und Versicherungsgesellschaften u.s.w. die Expansion, die vielfach auch ähnliche Formen annimmt, mit dem Export zusammen. Hier natürlich mit dem Export von Dienstleistungen.

2. Solche Beziehungen von Land zu Land, mögen sie noch so weit reichen, sind gewiss nicht geeignet, um die Grundlagen der modernen Weltwirtschaft zu erschüttern; sie sind eher Bausteine als Sprengstoffe in diesem Gebäude. Dasselbe gilt auch für den Typus internationaler Konzernbildung, der ausschliesslich oder in der Hauptsache auf finanziellen Motiven beruht, ohne mit Waren-Ex- und Importinteressen unmittelbar zusammenzuhängen. Dieser Typus ist nicht nur, aber vor allem in der industriellen Sphäre heimisch und hat es zu einigen weltumspannenden Repräsentanten gebracht. Zunächst waren es im 19. Jahrhundert die Eisenbahnen, die - ausserhalb Englands - meistens auf der Basis fremder Kapitalzufuhr und vielfach in der Weise erbaut worden sind, dass die Lieferanten von Schienen, Lokomotiven u.s.w. sich an dem Bau direkt oder indirekt finanziell beteiligten. Sir Thomas Brassey, der einen grossen Teil der kontinental-europäischen Bahnen in den fünfziger und sechziger Jahren als englischer Unternehmer mit englischem Kapital baute, war eigentlich der grösste internationale Unternehmer. Nach der Beendigung der Eisenbahnära schien die Periode der internationalen Mammutkonzerne zu Ende zu sein, um nach dem Weltkrieg wiederaufzuleben. Das Eindringen des Kreuger-Konzerns in die Telephonindustrie, die Expansion der Combined Pulp and Paper Mills durch Erwerb kontinentaler

Papierfabriken oder der Harriman-Konzern mit überaus vielseitigen Interessen (Bergbau, Schiffahrt, Eisenbahn, Banken u.s.w.) mögen vielleicht die bekanntesten Beispiele einer Ausbreitung sein, die weniger aus der Produktions- oder der kommerziellen Sphäre her bedingt ist, als aus dem Streben, Ueberschüsse möglichst im eigenen Interessenkreis zu investieren, die kontrollierende Position folglich immer weiter auszuspannen. Dabei ist es, nebenbei bemerkt, natürlich zunächst wenig relevant, ob es sich um echte Ueberschüsse des eigenen Betriebes oder um fremde, geborgte Kapitalien handelt, die in der spekulativen Börsenkonjunktur gerade für „grosszügige" Expansionsprojektive relativ leicht zu haben sind; für die Frage der Dauer solcher Investierungsmethoden ist dieser Gesichtspunkt freilich von entscheidender Bedeutung.

Ganz gewiss bedeutet jede solche Unterscheidung von Typen eine mehr oder minder willkürliche Klassifizierung der tatsächlich vorkommenden, zahllosen Gebilde dieser Art, deren Lebensgesetze beinahe stets von mannigfaltigen Motiven diktiert sein werden. Wenn der grosse Seifenkonzern Procter and Gamble (Cincinnati) - um dieses eine Beispiel für viele herauszugreifen - kürzlich das Aktien-Majoritätspaket der grössten englischen Seifenfabrik (Thomas Hedley & Co.) erwarb und darüber hinaus angeblich auch in französische und deutsche Konkurrenzfirmen einzudringen suchte, so mag das ebenso mit Export- bzw. Konkurrenzpolitik auf dem Weltmarkt zusammenhängen wie mit Fragen der Anlagepolitik, wenn und solange über disponible Kapitalien verfügt wird.

3. Einen wesentlichen Schritt zur Organisation der internationalen Märkte bedeuten solche Konzerne, die in ihrem Wachstum über die Landesgrenzen hinaus monopolistische Tendenzen entfalten. Der Monopolcharakter mag angestrebt oder effektiv erreicht sein durch Kontrolle aller oder der meisten Produktionsstätten der betreffenden Ware. In dem einen Falle basiert er auf dem tatsächlichen Besitz der Produktionsstätten, wie beim Diamanten-, Quecksilber- und Nickel-Trust und beim Jod-Monopol des Salpeter-Trusts; im anderen Falle sind es Patente, deren Hergabe und Ankauf die Basis für die monopo-

listische Expansion bilden; in wieder anderen Fällen erwirbt der Trust Monopolrechte länderweise, wie es beim Kreuger-Konzern der Fall ist, oder stützt seine Stellung neben dem Ankauf von Betrieben auf den Zollschutz der beteiligten Länder, wie es zum Teil bei der holländisch-englischen Margaringruppe der Fall ist.

4. Der internationale Trust wird kombiniert mit internationalen Kartellen, d.h., der grosse vielverzweigte Konzern bindet kleinere oder konkurrierende Unternehmungen durch kartellähnliche Abmachungen an die eigene Politik: Flaschenglas-Produktion, Kork-Industrie, u.s.w.

5. Spezifische Kartelle im internationalen Sinne haben die grösste Bedeutung auf Rohstoffmärkten erlangt, wobei es sich zum Teil wiederum darum handelt, dass grosse Konzerne mit überstaatlicher Verflechtung die wechselseitige Konkurrenz durch Abmachungen einengen: Zinn-, Zink-, Kupfer-, Bleikartell, deutsch-französisches Kalisyndikat u.s.w.; oder aber es versuchen nationale Kartelle, die auf dem heimischen Monopol mittels Schutzzöllen fussen, die wechselseitige Dumping-Konkurrenz auf den „umstrittenen" Märkten durch Kartelle auszuschliessen: Stahl-, Röhren-, Waggonkartell, u.s.w.
Hier sind wir bei dem eigentlichen Feld der sogenannten internationalen „Planung" angelangt. Die Methoden der „Combines" und Kartelle sind sehr mannigfaltig: Regulierung der Preise, der Absatzgebiete, des Produktionsvolumens, der patentrechtlichen Beziehungen, der Verkaufsorganisation und der Verkaufsquoten u.s.w., oder eine Kombination mehrerer dieser Wege. Im grossen ganzen ist der Erfolg der grossen Konzerne dauerhafter als der der reinen Kartelle; es zeigt sich international wie national, dass das Kartell die losere und weniger haltbare Form des Zusammenschlusses ist als die finanzielle Einheit des Trusts. Aber generell ist der Erfolg beim Trust einmal von der finanziellen Struktur abhängig, also insbesondere davon, wie weit er auf eigenem Kapital fusst oder von Bankkrediten abhängig ist: und bei allen Organisationstypen, die den Weltmarkt privatwirtschaftlich zu regulieren versuchen, kommt es letztlich auf den Einfluss der Konjunktur an. Die grosse

Blüte der internationalen Kartelle, die sich übrigens auch auf einige Dutzend Fertigwarenindustrien erstrecken, hat unmittelbar nach dem Kriege und während der darauffolgenden Hochkonjunktur die Theorie entstehen lassen, dass wir uns in einer neuen Periode der organisatorischen Leitung der Weltwirschaft befinden. In Wirklichkeit befinden wir uns teils in superprotektionistischen Experimenten, teils liegen inflatorisch bedingte Expansionserscheinungen vor: die Probe auf die Haltbarkeit derselben wird in der gegenwärtigen Depression abgelegt, und bereits bröckeln selbst einige der stärksten Kartelle beträchtlich ab, sei es, dass sie überhaupt zurückgehen, oder dass sie beim nominellen Bestehen ihre Grundsätze der Hochhaltung der Preise und der Regulierung der Produktion einfach nicht befolgen. Das gilt für die meisten Experimente dieser Art, und bereits heute lässt sich sagen, dass wir uns in einer Periode des Abbaues der meisten gigantischen Wirtschafts-Organisationen befinden, soweit sie nicht national durch Zollmauern besonderen Schutz geniessen. Jedenfalls hat diese Art Organisation die ihr angeblich zustehende Funktion, Preise und Produktion zu stabilisieren, nicht erfüllt. Eins der stärksten Kartelle, z.B. das Kupferkartell, hat den Preisfall so wenig verhindern können wie die verschärfte Konkurrenz unter den Produzenten. Ja, in gewissem Sinne sind gerade die stärkeren Kartelle mitverantwortlich an der Heftigkeit des Konjunkturrückschlages, weil und soweit sie in der vorangehenden Hochkonjunktur den Produzenten eine Marktstabilität vortäuschten und dadurch zu stärkerer Erweiterung der Anlagen und forcierterer „Rationalisierung" führten, als es sonst der Fall gewesen wäre.

6. Schliesslich gilt im Grunde das gleiche von denjenigen Manipulierungen der Weltmarktpreise, die von Staats wegen mit oder ohne Organisation der Produzenten den Weltmarktpreis eines Artikels zu kontrollieren suchen. Die berühmten Valorisationen unterscheiden sich von Kartellpolitik nur graduell: durch das Hinzutreten und die aktive Beteiligung der Regierung des Produktionslandes, um Produktionsvolumen, Lagerhaltung,

u.s.w. zu reglementieren. Trotz und zum Teil gerade infolge von Valorisationen ist es zur Ueberproduktion in Kaffee, ägyptischer und amerikanischer Baumwolle, Kautschuk, Kakao, u.s.w. gekommen, und in keinem Falle ist es bisher gelungen, der schweren Depression, in der wir uns befinden, durch solche Massnahmen zu begegnen. Als Valorisationsversuche mit internationaler Spitze sind die Weizen- und Baumwollankäufe in den Vereinigten Staaten, der kanadische Weizenpool, das deutsch-polnische Roggenabkommen u.s.w. anzusehen. Soweit hier zeitweilige Erfolge erzielt worden sind im Sinne der Hochhaltung der Preise und der Vermeidung von Produktionsstillegungen, sind die lokal begrenzt und mit schweren finanziellen Belastungen für die beteiligten Regierungen verbunden gewesen. Bezeichnenderweise hat sich im Laufe des Jahres 1930 nur ein einziger Weltmarktpreis für einen Rohstoff im wesentlichen halten können: der Preis für Tee, für dessen Produktion in Indien und auf Ceylon zum mindesten in dieser Zeit keinerlei Valorisations- oder Kartellierungsexperimente unternommen wurden.

Alles in allem dürfte die Bilanz der Experimente, die im letzten Jahrzehnt zur Regulierung von Weltmärkten unternommen worden sind, als mit einem Defizit belastet anzusehen sein: mit einem Defizit der aufgewendeten Kosten gegenüber dem Erfolg. Die Kosten der Finanzierung von Lagerbeständen an Kaffee, Weizen, Gummi, u.s.w., die Kosten an Fehlinvestitionen, die aus der Praxis der internationalen Kartelle und Organisationen erwachsen und durch Preisverluste entstanden sind, dürften die temporären Erfolge bei weitem überwiegen. Von einem Erfolg im Sinne der besseren Versorgung des Konsumenten, der ja höhere Monopolpreise zu bezahlen hatte, oder im Sinne einer besseren Koordination der Produktivkräfte der Welt kann überhaupt nicht die Rede sein. Der vom 29. August 1931 datierte Bericht eines der wichtigsten Völkerbundskomitees (Sous-Comité d'Experts Economiques, Commission d'Etude pour l'Union Européenne) hat sich mit grossem Nachdruck für den weiteren Ausbau

der „Entente industrielle internationale" eingesetzt. Wenn dieses von sehr angesehenen Fachleuten besetzte Komitee behauptet, dass die internationalen Industriekartelle eine „bessere Anpassung der Produktion an den Konsum", Stabilisierung der Preise, Verminderung der Risiken, Preissenkung, Stabilisierung der Arbeitsbeschäftigung und der Löhne und was sonst bewirken könnten, so ist nötig, darauf hinzuweisen, dass die tatsächliche Entwicklung in den letzten Jahren das gerade Gegenteil von diesen Behauptungen gezeigt hat. Weder theoretische Gründe noch Erfahrungstatsachen sprechen dafür, dass - von seltenen Ausnahmen besonderer Rohstoffe, wie Kali, Quecksilber und dgl., vielleicht abgesehen - von den internationalen Kartellen in Zukunft grössere Wirksamkeit im Sinne ihrer Befürworter zu erwarten wäre.

DISCUSSION BY PROF. ERNEST M. PATTERSON, President, American Academy of Political and Social Science, Philadelphia, U.S.A.

My first impression in connection with this subject is that the situation, which is forcing the various people of the world to discuss rational planning so generally, arises from a state which is world-wide and forcing upon us the necessity for broader plans - in fact world plans.

While we have had planning of a sort for centuries, we have now reached a situation in which the people and the industries are compelled to take into account, as never before, conditions in other countries, and they must add just their activities to what other countries are doing - and that is why we find an amazing development of coordinating efforts.

It is perhaps possible to refer to two extremes that are illustrated by two different countries: one by Russia, where planning is directed from a central control, the other represented by the United States, where planning is taking the form of suggested cooperation between Government and business concerns. In between are the activities of many other countries, shading from our rather nebulous efforts in the U. S. A., to the calculated efforts of Russia. In England an effort is made in this sense by Government and Parliament, and similar efforts are made in Germany, France, Italy, Tchecoslovakia, etc. But all these indicate that means must be adapted to each country individually and that adjustment has to be made differently for each country.

The second suggestion is that we have actually three fields of effort toward which we should direct our exertions. There is no doubt that efforts must be continued on a national basis - the Governments must take into account the national needs and we must remember that for the future.

The second field of effort is international, that is, that the national groups of one country, through governmental or private efforts, must cooperate with the national groups of other countries.

The third field has to do with national economy - we are seeking for ways by which we can shift a great many of our problems to a basis on which the national grouping will be less dominant.

The World Bank is organised as an International Institution

in the sense that capitals have been raised by national groups and the Board of Directors is chosen with reference to their nationality. There seems to be signs of an international organisation in that bank, whereby throughout the world drafts on that bank would be acceptable in settlements of obligations which will be claims on a world institution. It is interesting to know that the newly proposed institution for long-term and intermediate-term credits is taking shape and will become not only an international but a world institution.

There are other world institutions developing on the same lines in other fields, and we hope they will come forward rapidly. The so-called cartels are almost certain to be organised on an international basis, but while they help to solve some problems, they create others. An opposition has arisen towards them, largely because of their power and influence. Some comments may be permitted on this subject. It is probable that they will exercise a considerable influence over prices, but we would like to know if the monopoly price which they will charge will not necessarily be extremely high. Presumably, each concern will attempt to set high prices - that may come about from selling a small number of units at a high price or a considerable number at a low price.

A second off-setting consideration is that each of these concerns must take into account possible competition. We all remember the difficulty which the British encountered with the control of the price of rubber on account of competition, and the price of rubber was adjusted at so high a level that a large volume of production was encouraged in countries not under British control, with the result that the plan under which the British were operating was abandoned and rubber had to find its price level.

Another example may be taken from America and the vast competition which reigns there for petroleum or other substitutes.

Many of our difficulties have come in recent years through an attempt to fix prices without supply control - this can be illustrated by the case of Brasilian coffee, etc. If price control is to be effective a certain amount of capital and labor will be set free for use in other directions, and I think this ought to be

kept in mind.

In closing, let me remind you that we have these international organisations - they are a fact and it is not going to be easy to dispose of them - they must be accepted and understood.

One of the difficulties we have is that we anticipate some magical solution which is going to eliminate in a very thorough way all our problems. That is not to be. We can look for a succession of adjustments under which we shall remove some of our difficulties, although in the very act of relieving these in one direction, we may add to them in another. But our efforts will, I trust, have one highly important effect in so far as the different industrial groups are concerned. Even though these adjustments have to be made internationally with international cooperation, these efforts are removing one of the most important elements of tension in our economic life to-day; they are shifting to a degree our disputes and difficulties from the field where increased antagonism is intensified and, while they give us a new set of problems, they are lessening the strain under which we operate and remove the strain under which we have suffered in the past and may suffer in the future. One of the advantages of Conferences like ours is the exchange of views which go toward a better adjustment of difficulties and a lessening of these very dangerous tensions.

DISCUSSION BY Mr. H. QUIGLEY, Chief Statistical Officer of the Central Electricity Board, England.

I feel that at this Conference you have been supplied with some real information - information of value. It has given me, at least, the answer to two questions, viz.:

Is the Russian Five Year Plan going to succeed?

Are our methods in Great Britain also going to succeed?

The discussions of the last two days have replied to both of these questions. In the one case in the negative, in the other in the affirmative.

I do not propose to deal here with international questions bearing on economic planning for I feel myself in agreement with Professor Patterson and Dr. Palyi.

I prefer at this time to deal specifically with Great Britain,

because Great Britain has been mentioned several times in previous discussions and because the British mentality stands for something which must be of importance in any consideration of national or international economic planning.

The British mentality is always suspicious of systems. I remember when I was studying philosophy in Italy I was told to avoid creating systems because it meant the destruction of the imaginative and constructive faculty; the system, as finally evolved, was generally an excuse for no thinking at all beyond a certain point. One always wonders when one is confronted with a perfectly developed and documented system, whether it is based on anything real or merely on prejudice. The question that invariably occurs to my mind when I study the literature of Soviet Russia, is this: What is the destination of this so-called system, and, accompanying it, what is the foundation? Has it, in the final analysis, got anything new whatever to give us?

After listening very carefully to yesterday's session, I am inclined very seriously to answer all of those questions in a negative fashion. All the details recorded in the Soviet Plan as applied to production, all the phases in enterprise and method have become merely common form in capitalistic countries. One would have found about one hundred years ago in Great Britain the same proselytising enthusiasm and one can find it in almost every country which is embarking on the early stages of industrialisation.

My main reaction to the theorising, which has accompanied examination of the Five Years' Plan and other proposals aiming at economic planning, is merely to study the actual situation and use more effectively the faculty of observation. This does not, of course, eliminate the need for planning. I may take specially, since I am most familiar with its development, the case of the national reorganisation of electricity supply which culminated in the formation of the Central Electricity Board early in 1927, and is finding its physical expression in the main transmission schemes which are now being erected, interlinking generating stations over the whole of Great Britain.

As long ago as 1918, it was recognised that the industrial

reconstruction of Great Britain, as far as the basic industries were concerned, lay in adherence to the principle of planned economy. It is only necessary to study the various reports issued by the Ministry of Reconstruction and, above all, the reports devoted to the conservation of coal supplies and the electricity supply industry. The authors of the latter recognized as fully and as sincerely as the Russian experts that electrification was necessary to the whole economic development of Great Britain. At that time, political difficulties made it impossible to translate those ideas fully into practice but a prelimianry attempt was made in 1919 when the Electricity Commission was formed to co-ordinate electrical development in Great Britain. It was found, however, that closer adherence to a national plan, nationally conceived and nationally carried out, was necessary if full use were to be made of the power resources of Great Britain, and, in 1925, a report was published over the signature of Lord Weir which, working from the basis that the industrial future of Great Britain was bound up with the effective coordination of power production, proposed that the generation and main transmission of electricity should be coordinated, that the most efficient generating stations should be interlinked and be brought within the control of a new independent body. It was in accordance with this new conception of planned economy that the Electricity (Supply) Act of 1926 was passed and the Central Electricity Board created.

The main point I want to make here is that there was nothing accidental in such a consummation. It did not provide an example of British empiricism, but of definitely regulated enterprise inspired by a vision of planned development. In its earliest stages, namely, 1918 and 1919, it preceded the Russian experiment by ten years, and is still one of the most notable examples of economic planning applied to industry that I know. The question arises at once: why did we do it? We are a race of individualists in Great Britain, no doubt, but we are occasionally capable of acute perception, and we came to the conclusion that properly coordinated electrical development would be an enormously powerful weapon in re-equipping and modernising our industries, and in improving our position in export markets.

A favorite criticism of British industry which is not peculiar alone to Russian propagandists but is to be found in authoritative documents and in weighty articles published in the British and foreign press, is that our industries are not modern and have fallen behind the world's standard of equipment and of operating efficiency. I prefer to substitute fact and truth for propaganda and, using the Russian test of electrification as indicative of industrial efficiency, quote a few statistics.

In 1924, about 33 % of the primary power installed in Great Britain was devoted to the generation of electricity. The capacity of electric generating plant in the country, as a whole, was, about 9,000,000 horse power, but, in 1931, it had risen to more than 72 %, and we had added almost 6,500,000 horse power to the capacity of our generating plants. This achievement is one which can bear comparison with what has been carried out in the most advanced industrial countries in the world, both in relative and in absolute figures. It is almost equal to twice the entire installed generating capacity in Russia at the present time. That is one fact which is capable of exact analysis and has no relation to theory.

The basis of reorganisation has not been the creation of enormous units. We do not believe, in Great Britain, in mere size. We believe in efficiency, which is not necessarily the same thing. If we can, by modification of existing organisations or existing equipment, create an efficient national machine, we are quite prepared to do so, but we cannot afford to finance spectacular and expensive experiments.

The main principle behind the national power scheme is the maximum utilisation of resources at the minimum capital expenditure with the maximum liberty given to individual enterprise and individual initiative. We do not believe in absolute control and ownership, but in coordination. The operation of the selected stations, about one hundred or so in number, has been left to individual enterprise, but certain standard methods, which aim at reducing costs, have been or will be introduced.

In Great Britain, the assumption is, that we have, at our disposal, a large reserve of constructive and operating intelligence, and, in this respect, are different from Russia, where, indus-

trially, one must begin from the very beginning, assuming nothing. It would be suicidal for us to avoid using the capacity we have at our disposal, not to employ, as far as we possibly can, the trained reserves in industry which a highly industrialist and capitalistic regime has produced. We have been told confidently that there is no coordinating influence making for the reorganisation of British industries, but I suggest that the national power scheme itself has stimulated thought and even influenced practice in the direction of planned economy.

The recognition is becoming general, I think, that the industrial structure of a country must be brought into line with the coordination which has been carried out and is being carried out in fundamental services, such as electricity, banking, finance and transport. One can see, already, the outlines of the policy of close cooperation between bodies responsible for electrical development, the railway companies, the institutions brought into existence by the Bank of England, such as the Securities Management Trust, the Bankers' Industrial Development Company and the United Dominions Trust, to carry out financial reorganisation in industries such as iron and steel, ship-building and cotton. In coal and agriculture, the principles governing national coordination and development have already been laid down. It is, consequently, merely a question of time and not of lack of intention. In a few years' time, we should be able to describe clearly and definitely, at an international conference such as the one in which we are taking part, what has been achieved in national economic planning, based on the British psychology and British experience, but our psychology is such that we do not issue propaganda in advance, but prefer to complete the job before speaking about it.

I feel that, in the discussion of national and international economic planning, we can take examples from capitalistic and old countries like Great Britain, just as effectively as from countries experimenting in socialisation. Methods and means may be adopted which would be successful in one country and disastrous in another and, at the present time, it is really impossible to forecast which will be the more successful - an experiment on the British model or on the Russian model. As I have said

already, I am convinced that the British methods have a sufficient measure of economic justification, but I should like to point out very seriously that the British economic structure at the present time is something totally different from what is described in the British press. Continental observers have tended to take their views of the economic position of Great Britain from articles published in the press, but there is nothing more striking in our contemporary civilisation than the complete divorce of press statement and press theory from anything which is even approximately true, especially in matters concerning the organisation, efficiency and equipment of industry. Industrial reorganisation is something which goes on, and is not influenced fundamentally by that curious mania for political tomfoolery which is characteristic of our present government. Politics and industry are not the same thing in Great Britain. Still less are finance and industry, but that does not prevent me from saying that the separation of those three fundamentals - politics, finance and industry, must be overcome if efforts to use national and, finally, international economic resources are to be fully successful in the future.

MASS DISTRIBUTION AND HIGHER STANDARDS OF LIVING

BY EDWARD A. FILENE, WM. FILENE'S SONS' Co., BOSTON, U. S. A.

As a business man, not a theorist, I can discuss the problem of higher standards of living through mass distribution only from the business point of view. I do not mean that I am prejudiced against theorists. But if there be any other way than through the methods of business to secure a higher and higher standard of living for the masses everywhere, I know nothing about it.

Many, of course, profess to know the way. Some think that a higher standard of living for everybody may be achieved by abolishing business or curbing it, or discouraging it by taking from it by taxation any profits which it may happen to make. Some want the State to take over the whole process of production and distribution of wealth. Some think that the task can be performed properly only by a committee of the proletariat.

As one who is active in business, I cannot be expected to concur in any such proposals. But as a business man I am just as desirous as the most idealistic theorist or the most irrational radical of seeing high and ever higher standards of living enjoyed by every person in the world. This is not wholly altruism on my part. I know, as every thinking man knows, that the more prosperous the masses - by which I mean all people - become, the more profitable will business be. We all, employes, business men, farmers - everyone - prosper in proportion to the prosperity of our neighbours, whether those neighbors be our nearby customers and employes, or strangers in remote corners of the world.

Moreover, as a business man advocating the business man's approach, I am fully aware of the tremendous challenge to business throughout the world and especially in the United States and Europe. I hope that I can impress on this audience and the larger audience interested in this gathering that this is no time to be over-cautious. This is a time for action. With millions out of work in every country of the world, with our

warehouses overflowing with goods and food that the masses need to sustain the lives of their babies and their wives and themselves, words and explanations cannot and will not take the place of action. I am no alarmist, but no explanation will explain away these terrible economic facts. Crises like this, that bring unemployment, are due simply to bad thinking; bad thinking especially on the part of business men and financiers.

The reasons for our present unemployment are not hard to find. They are recognized in the program of this congress. They all go back to the fundamental fact that unless people can continuously buy all that industry produces, times will come when those same people will be unemployed while waiting for present inadequate consumption to catch up with past production. The only cure for unemployment is employment, because employment comes only from buying and because buying comes only from wages - the higher the wages the greater the buying power. Purchasing, that is to say, the consuming power, depends upon both the wages available for spending and the prices of the things those wages should buy. Wages and prices - those are the two factors controlling purchasing power and prosperity. And it is of course to be remembered that the selling price includes not only production cost but selling expense and profit.

Wages, price and cost - these go back to methods of production and distribution. Production never becomes wealth until it is made available for human use. Production and distribution, therefore, are not two separate functions, but simply phases of the same process - industry. Mass production demands mass distribution; and if it does not demand and actually get mass distribution, mass production is profitless. No matter how efficient production may be, it cannot keep the balance between production and purchasing power unless distribution is efficiently organized. And it must be organized for the definite purpose of getting things to people in the most economical way and at the lowest price which the best scientific methods make possible. There is no other legitimate excuse for

either wholesale or retail establishments today.

What are mass production and mass distribution?

Let us understand at the outset clearly what mass production is and what it implies. I use the word "mass" to bring out the idea that these new methods of production and distribution are for the masses. Mass production is not merely large-scale production. It is scientific production, so planned, organized and carried on as to make possible a very high rate of production per man. That in itself reduces costs. But if the economies are not passed on to the consumer in lower prices, it is not mass production, because it does not help the masses to buy what is being produced. Their buying power is the essence of mass production. And if wages are not raised about in proportion to the increase in production, it is again not mass production, for it has not done the utmost possible to raise purchasing power and so put its products within the reach of the masses. Given larger mass buying power, the total profits of business increase, although the unit profit is kept low so as to keep prices as low as possible and thus increase buying. Business in the past, before this point of view was adopted, endeavored to profit by catering for the "classes," the comparatively well-to-do. But 100,000 or 500,000 or even a million multimillionaires cannot possibly make a market for the enormous output of mass production.

Thus for the most selfish of reasons - greater profits - enlightened management has discovered that it is desirable - yes, essential - to raise wages and reduce prices to the greatest possible extent.

Reducing prices.

I do not want you to get the idea that I say categorically that everything used can be made to sell at five or ten cents apiece. But to emphasize my point I shall exaggerate thus: If everything the masses need and reasonably want could be sold for five or ten cents each, there would not be enough working people in the world to supply the demand. That sounds like an im-

possible, phantastic dream. But here is the point: Between five or ten cents and the prices now demanded there is a price which is within reach of the masses to pay for a vast output and so keep everyone at work. To achieve that price would bring social and political stability, nationally and internationally. Nothing short of the lowest possible price will do, and it must carry with it the greatest possible value that can be offered. For otherwise it is not the lowest possible price.

Some industries, today, which seem to be operating on the principles of mass production, instead of setting prices as low as possible, have tried to keep them high by resort to mergers and cartels. In the light of the principles of mass distribution, the basic idea of the cartel is shortsighted, foolish and in the end destructive to profits, because it is based on the idea of maintaining prices at an artifically high point to enable the marginal high-cost producer to make a profit. This results in a price higher than that at which the successful mass producer can afford to sell. These high prices reduce buying power and hence reduce opportunity for employment. Moreover, they encourage unprofitable dumping in foreign markets, which of course cannot become a permanent policy under the present financial conditions of most countries. Mass distribution demands that markets for increased output be developed by spreading purchasing power instead of limiting it either by too high prices or too low wages.

The higher wage theory.

Immediate and ultimate wage policies are dependent of course upon a multitude of economic factors. Experience with mass production and distribution, however, suggests this formula, which has regard for the interests of employers, employes and the consumer: Wages, which mean buying power, should in every industry be raised as high as possible without increasing the cost of the product. We might go still further and express the formula in this way: Wages should be as high as they can be made, provided the rise in wages decreases the cost of the product. That this formula is practical, is shown by innumerable instances of success in

business.

Of course such a formula denies absolutely the accuracy of the brutal, classical economic theory of the fixed wage fund, a theory which has persisted with uncanny strength and has done an untold amount of harm. If it were true that there is a definite, limited fixed wage fund, it would follow that with an increase in the number of workers the wages available for each would fall and the birth rate would have to be controlled until the number of possible workers was so reduced that a living wage could be paid.

Modern industrial experience has proved the opposite, that the wage fund rises with every rise in the efficiency of production, and that wages do not come out of profits but, on the contrary higher wages make higher total profits. The discovery that the fixed wage fund theory was false accounts in large measure for America's comparative prosperity.

Mass distribution in the United States.

Mass production and distribution are not to be regarded as purely American practices which for some nefarious reason American business men wish to force on Europe. Mass distribution is a business fact to which modern invention, independent of national divisions, has brought us. It is the next step before all industry, except, perhaps, that 15 per cent or so which is concerned with producing what may be called de luxe products. Nevertheless, because of the stage of development of American industry and for other reasons, perhaps, which need not be elaborated, American business men have quite generally subscribed to the gospel of high wages and low costs through mass production. Although America, like Europe, is not in the depths of a severe depression, the fact remains that prior to it the masses of our people enjoyed a level of prosperity the like of which has never been seen. In fact I believe that right now, when we in the United States are talking hard times, the general prosperity of the masses is greater than that ever enjoyed before under the most favorable conditions.

I do not mean to imply that I consider American standards to be either an ultimate goal or even a proper starting point. What

the masses must have in America and elsewhere, in order that business shall be able to sell its constantly increasing production, is a higher and higher standard of living, and we have begun to discover in the United States that the standards of living can be raised while at the same time the total profits of business steadily increase.

Nor do I mean to imply that in the United States or elsewhere the masses become content simply because standards of living are raised. It seems sometimes as though they become more discontented than ever. In America, however, the discontent of the masses is not directed against the government nor against employers nor against business. It is directed only against poverty. It is directed toward more efficiency, more co-operation, toward perfecting the processes which have raised wages They know that this has been accomplished by scientific methods. The labor movement in America, through the American Federation of Labor, is itself on record as recognizing that the sound way to raise wages is to decrease costs by scientific methods.

Nor do the masses in America who are benefited by mass production join in the complaint made by a few quite uninformed idealists that mass production is evil - that it is filling the world with automobiles instead of with oil paintings; that it is getting the workers of America interested in modern plumbing rather than in sunsets and flowers and quaint old customs; that the masses are going in for good dentistry and such material luxuries rather than the bad teeth and nice, respectful manners which once seemed so becoming to them. But I cannot discuss these objections now. I am simply pointing out that mass production is a fact and the only demonstrated method of raising standards of living.

I do not mean to say that there have been no wage reductions in America. But it is a fact that the more progressive industrialists have steadfastly resisted the pressure brought to bear from certain quarters to "liquidate" labor and have only reluctantly reduced the men employed or the number of hours worked to conform to the lessened volume of sales. Some time ago, I predicted that 1932 would probably bring an upward swing of business in my country. I qualified that by saying that it was by

no means certain to be a steady, lasting upward swing. I said that if any general reduction of wages was adopted throughout the country it would take at least two or three years more before the upward swing could come.

We have between five and six million unemployed in the United States, but some forty million gainfully employed. The six million out of work constitute a disgrace to the 75 per cent of American business men who have not adopted mass production in practice or theory.

Despite the large amount of unemployment, however, there are still defenses of the standard of living. This is shown by the fact that the savings of the masses in their savings banks, in life insurance, in credit unions - which are the banks of the working men, with assets of $53,000,000 in the United States - have grown on an unprecedented scale in 1930 and this growth is still continuing. These credit union workmen's banks, capitalized wholly with the money of the masses, have grown at the rate of from 25 to 50 banks a month during the last three months. During the whole of the depression there has not been one single involuntary liquidation of any credit union bank; and, what is more, the number of failures to pay their loans by workingmen has been negligible. Loaning to workingmen is the sole business of these credit unions.

Now, while America is relatively a high-wage country, unfortunately not all concerns pay as high wages as they might, even in prosperous times. That is because even in America not 25 per cent of the industries are managed under mass production principles. The present unemployment in America is definitely attributable in large measure to those industries which, because they clung to traditional methods or adopted large-scale production without abandoning their traditional thinking, made it impossible for consumers to purchase the increasing volume of goods which industry as a whole, because of better methods, was turning out. Innumerable instances of so-called mass production in America are in reality only l a r g e-s c a l e production. They have attempted to increase output without paying the absolutely necessary attention to increasing the buying power of the masses,

without which the increased output could not be sold.

Those who clung to traditional methods could not produce at low cost, and therefore could not pay high wages. They blocked the maintenance and growth of purchasing power. Factories using successful methods could not sell because employes of inefficient companies could not buy. Unemployment or the next worst thing, part-time employment, is a rolling snowball, each increase adding to the total of reduced purchasing power and producing further increase in the number out of work.

To sell the growing surplus of goods for which there was no market, high-pressure salesmanship was adopted. The advantages of low-cost production were offset by introducing high-cost distribution. Consumers who yielded to this lure to buy at too high prices had so much the less to buy the goods of other industries. Thus even geniune mass-production industries suffered - not because their competitors were employing better methods, but worse. The high cost of selling, which in turn seems to require so-called high-pressure salesmanship, is thus seen to be due not only to wastes in distribution, which are high, but to lack of purchasing power occasioned by too high prices and too low wages. Given the proper balance of wages and prices, truthful advertising, by making large sales possible for mass production, instead of being a wasteful expense, actually saves money for the consumer.

Even in America, though we have learned much about low-cost production, we have as yet learned little about low-cost distribution; and the actual price of an article to the ultimate consumer is often three, four or even ten times the cost of production - a condition which would be ludicrous if it were not so tragic in its effects. This condition exists not because business is getting too much in profit, but chiefly because distribution is too expensive. Instead of being organized scientifically, selling is still largely in the hands of little, independent storekeepers who are not interested at all in better methods of distribution but still think of business as in the Middle Ages, as a mere process by which someone buys a stock of goods and sells them for as

much as he can get.

Mass production, as already pointed out, demands mass distribution, and it is beginning to get it. At first mass producers in the United States set up their own distributing systems. Later we have seen the rise of the great chain stores. In the near future we shall see many more changes. Many will not like the changes. They will cry that their rights - by which they mean their right to keep the masses from getting things at the lowest possible cost - are being violated. But the present wasteful system of distribution can no longer hold back the development of mass production, any more than the stagecoach could hold back the railroad or the ancient handcraftsmen prevent the use of machinery.

Mass distribution in Europe.

As I have already said, mass production is not by any means a secret known only to American industry. Many European countries are as efficient as any in their industries, and others are adopting mass-production methods as rapidly as possible. Bata, for example - I call him Shoe-Ford Bata - manufacturing 100,000 pairs of shoes a day, is not only selling successfully in the best European markets but is actually exporting successfully to the United States. In Europe, however, as in the United States, some manufacturers have adopted mass production but have not raised wages accordingly. I am convinced that the principal reason why European manufacturers have not raised wages under mass production is that they believe that their lower costs give them a great advantage in export trade over European manufacturers who do not use mass-production methods and over the Americans who do but who pay high wages.

Europeans have always given greater attention to foreign markets than to home markets. That is perhaps natural, inasmuch as for many hundreds of years European nations have been colonizers. They built up colonies both in order to get raw materials and to have established markets for what they produced. Without the spirit of adventure and the commercial spirit of the Europeans, much of the civilized world would still be inhabited by aborigines.

But so engrossed have Europeans been with the battle for foreign trade that they have all but ignored the home market. I believe that European countries have a vast potential but undeveloped market right at home, which they can cultivate if they will only give part of the savings of mass production to the workers in the form of higher wages.

I do not ignore the difficulties, however. There are many European countries which are not large enough to furnish an adequate market for mass-production industries. Hemmed in by tariffs on all sides, these countries cannot seemingly hope to make the changes which are now so necessary. If business men in these countries, however, will approach their problem from the mass-production point of view, they need not be discouraged. For that point of view tends to do away with tariffs. Mass production needs no protection. It does not even need to destroy its competitors; it wants its competitors to succeed, for its knows that success can come only through better methods, that better methods increase buying power and that there will be larger markets therefore for all legitimate businesses which ably and conscientiously adopt better and better methods. The business men of these countries, when they once see their problem squarely, will co-operate with the business men of other countries to remove these tariff barriers and together form a market sufficiently large to enable them to use the mass-production methods which alone can enable them to compete successfully in the markets of the world.

In this co-operation of business men, business leaders in the United States will be ready to agree. While I am not and never have been a "free trader", but am rather an opportunist so far as the tariff is concerned, it is my considered belief, and many leading American business men concur, that tariffs are generally bad. Ford, the General Motors Company, the General Electric and other of our successful mass producers in the United States opposed publicly the passing of our present high-tariff law. I call our present high tariff "the tariff of the unsuccessful". It was passed, apparently, in response to the demands of the inefficient against the protests of the efficient.

Eventually tariffs must be lowered, whether it is seen clearly

today or not. For business must have capital, and capital, while it is not always farsighted, will not readily offer itself to any industrial group which is politically barred from reaching a sufficient market to make its proposed enterprises pay. Tariffs have driven American business to operate factories in Canada and Europe, and leading foreign producers are building plants in the United States. Strange, is it not, that it should be deemed sensible and satisfactory to establish high tariffs to keep out foreign factories instead of the foreign goods? On the other hand, it should be remembered that these foreign factories employ native workers. Moreover, the successful ones are in fact schools for dissemination of knowledge of the methods and principles of scientific mass production. Mass production will ultimately dominate the markets both in Europe and in the United States. But meanwhile tariff walls are holding back prosperity and causing widespread distress from unemployment.

Ways out.

In the long run it will become apparent that the only way to compete profitably with better methods is to employ still better methods. The great necessity is to understand the fundamental business principles involved - the principles of mass production and mass distribution which seek the welfare of the masses, which with enlightened selfishness get profits from serving the masses and have no inclination, therefore, to stop this service at any national boundary.

Meanwhile, how begin? It may sound like one of those vicious circles - mass distribution depending in part upon low-selling cost, and low-selling cost depending largely upon mass distribution. But fortunately vicious circles have a way of transforming themselves into beneficent circles, if we can find the right place to break in. It was done in production and it can be done in distribution.

Ford and a few other leaders foresaw that the vicious circle which was made up of low wages, low purchasing power, restricted sales, small production, high costs, low wages, could be

changed to a beneficent circle of high wages, large sales, large production, low costs, high wages. Ford made this metamorphosis by courageously cutting into the vicious circle at the low-wage point. He raised wages, thus furnishing purchasing power which enabled his employes to buy more clothes, food and furniture. The workers who turned out these things became more prosperous and bought Ford cars, thus enabling Ford to effect economies through mass production which lowered costs and prices, made higher wages possible, and so on indefinitely. Other manufacturers, seeing how well Ford's high-wage policy worked out for him in greater total profits, took the same step. What we must now do is first to show manufacturers all over the world how to apply the principles of higher wages and lower costs through mass production; and, second, we must all learn more about how to secure the maximum benefits of low-cost mass distribution.

We must first realize that the principles underlying mass production, high wages and low prices are basically opposed to all of the ideas, much of the technology and almost all the tradition of success in the past. Most of us, including so-called successful business men and financiers, are motivated by ideas and methods which were successful in the past but which no longer work.

If we - and by that I mean all of us, wherever we may live and whether we are employers or employes - are to secure the maximum benefits of mass production, we must plan for mass distribution on a world-wide scale. No country can be prosperous to the greatest extent unless all others are prosperous. It is misleading for our purpose to think of commerce even as international, for that implies separate units with narrowly selfish interests which in the end prevent any country from having the maximum prosperity. We are as a matter of fact all economically citizens of the world, rather than of some small and arbitrary geographical division. The time is now ripe to begin thinking in terms not alone of national economics but of world economics, world welfare and world prosperity. When we can all get that point of view, we shall have gotten well started

on the way toward realizing the maximum benefits of mass production and mass distribution.

Time, however, is the essence of the problem. Changes can and must be made quickly. We are in the midst of a new epoch, a second industrial revolution. Changes that used to take generations, even centuries, now occur in a decade or even a year. In such times traditional thinking as to the value of slow action, which has been in part fostered by a scientific point of view, is fraught with more danger than rapid action: but the rapid action must be based on scientific fact-finding, on research.

Mass production had its inception without being planned on any larger scale than for the individual establishment. Its spread has been unplanned, consequently slow and uneven. Planning demands fact-finding.

Methods of reducing wastes in distribution is the first outstanding problem for fact-finding. To seek out the best methods of producing or distributing in use anywhere and to make those best methods quickly available to business men everywhere is a task for research in this field. The actual working out of better methods, the invention of better machines and processes can doubtless best be done in the factories or on the selling front. Once worked out, however, this knowledge should be made part of a general pool of information for the benefit of competitors and non-competitors alike. There is no real danger in this, as is so often shortsightedly believed. An inefficient high-cost competitor who cannot pay high wages reduces the general purchasing power of the masses and so reduces the sales and hence the profits and wages of everyone, including himself and his employes as well as his competitor and his competitor's employes. The management research groups in several countries are demonstrating the desirability of co-operative research by business men.

Closely allied with research into methods is investigation of markets. At the recent meeting of the International Chamber of Commerce in Washington a report on distribution, while bringing together important facts, had as its most significant result the

showing of how limited are the facts available and how great is the need for further investigation. This was the joint work of the American reporter on the subject, Mr. F. P. Valentine of the American Telephone and Telegraph Company, and Mr. L. Urwick, Director of the International Management Institute. It has led to action by the International Chamber of Commerce, looking toward the formation of a committee on distribution which will utilize the research services of the International Management Institute and other bodies to stimulate the gathering of facts on distribution for business men in all countries. In that connection it should be pointed out that this International Management Institute at Geneva is a research agency whose services are available for business men everywhere.

Social significance of mass distribution.

It should be apparent that the improvement in methods here advocated is designed primarily to raise the standards of living of all people. Hence it is social. It should ultimately eliminate unemployment, create more leisure, shorten hours and liberate men and women for enjoyment of all that modern industry should make possible.

It is a big job that we have before us, perhaps the biggest that any generation has ever faced. No generation before us has had such an opportunity definitely and effectively to bring about prosperity and peace nationally and internationally - the peace and prosperity of the world through economic methods without recourse to the traditional method of war, but rather by following intelligently and scientifically their own best selfish interests.

The masses want a higher standard of living. They are certainly having difficulties in getting it. But they are going to try, and the fact that they do not know how to get it is not going to keep them from trying. When the standard of living of any nation is going constantly lower and lower and no definite, planned movement is launched to raise it, one of the things that is sure to occur to the masses is to overthrow the government. On the other hand, history shows that no government was ever overthrown by revolution if

the masses of the people were enjoying prosperity and if their standard of living was constantly being raised.

The method of raising it is at hand through the development of modern industry. Mass production and mass distribution have become, as I have said, a business fact, the inevitable next step before industry. It is a step that must be taken if we are to have peace, profits, prosperity and stable governments, and it is a step that must be planned for on a world scale and on a groundwork of facts rather than of opinions and guesswork.

DISCUSSION BY Mr. P. J. S. SERRARENS. Senator, Secretary, International Federation of Christian Trade Unions, Utrecht, Holland.

Although Mr. Filene may emphasize that he is not a theorist, he is at all events one of the few business men who think in public and who therefore give to others the advantage of learning their policy and of criticizing it. Mr. Filene, moreover, tries - as we all do, I hope - not to indulge in that bad thinking which he justly holds responsible for the present crisis.

Now I feel obliged to say that in the theory which Mr. Filene - although not a theorist - develops in his paper, there is much that strikes me as being true. There are some points, however, which I see in a different light.

If I may take first a point on which I agree completely, I may say that I am very glad that both Mr. Filene's report and the joint report of Mr. Valentine and Mr. Urwick presented to the International Chamber of Commerce, have put forward the tremendous importance of the part played by distribution in our economy, and that they have pointed out the entirely inadequate statistics which we possess on distribution, especially in Europe. Although a country here and there, may have better information with regard to certain elements of distribution, no statistics are available about other parts of the world; a German review has justly called wholesale trade an "unexplored" territory (Kaufmann in Wirtschaft und Recht).

The only thing we know is that distribution is incapable at present of fulfilling its duty with regard to production and of interpreting the "needs and capacity of the effective and potential present and future market" (Urwick, Valentine, p. 10). And distribution will remain incapable of giving these necessary indications to production so long as it remains the awful mess it is at present, so long as it is handled in the present unscientific, and indeed often amateurish, manner.

Surely the present system - or to be more accurate, the present state of distribution without any system - is one of the causes of high prices. Systems of mass distribution are now advertised as containing the possibility of reducing the prices of products and therefore of making possible increased production and lower prices. I think it would be wrong if we Europeans should copy here too closely the methods employed in the United

States. We must be careful in taking over methods of management. During the last few years, we have had in European production too much copying which was equally due to bad thinking and which resulted from the fact that American methods were introduced in Europe where circumstances were altogether different.

We must discriminate when taking over distribution methods in existence over there. We took over instalment buying, but I do not think it has everywhere shown good results. When I say this, I do not at all intend to oppose mass distribution, but I think, for instance, that the stronger cooperative trend in Europe might lead to a cooperative system of retail stores which might take the place occupied by the chain stores in the process of distribution in the United States. No matter how we organize production and distribution, we have to adapt it to our own needs, we have to build in our own style, which need not be less modern or less scientific than the American examples.

One of the principal obstacles against mass production in Europe is the fact that it is hampered by t a r i f f s. And I think that many of these tariffs might be called by the name Mr. Filene found for the American tariff - they are the "tariffs of the unsuccessful", of those industries which could never compete in an open market but can manage to live if sheltered by a tariff wall. It will surely be necessary to lower the European tariff barriers. It will not yet be possible to suppress them altogether, for although we saw that the Economic Conference of 1927 proclaimed how bad it was for world economy to continue the prevailing system of tariff barriers, the last four years have nevertheless shown that the States cherish their vices.

Should mass-production become a feature of the production of consumer's goods, then it would be necessary to create larger markets by abolishing, or at least lowering, the actual tariff barriers.

Now some raise the objection - among others Prof. Siegfried in his Report to the International Chamber of Commerce - that tariff barriers are not a merely technical question. They argue that it is impossible to abolish the different nationalities of

same reason, we think that good housing conditions are of greater value for the maintenance and development of a family life, than a car. These are not objections against mass production and distribution as such, but simply a warning that not every generalisation of products is a blessing for mankind.

I may remind this Conference of the statement once made by Rathenau that if half the wasted products of the world were to be brought into useful production, every poor man in the civilised countries could be fed, clothed and housed.

Not those products should come first in mass production and distribution which give the largest benefits to the leaders of business, but those which supply in the best way the needs of mankind.

It has been demonstrated again and again that the productive capacity of the world is much larger than, not consumptive capacity, but purchasing power. In face of this fact we cannot find a way out unless we find the means to provide for a larger purchasing power of the masses - unless we come to a general policy, not of high wages, but of gradually increasing real wages.

The Economic Conference of 1927, in discussing the question of scientific management, recognized that its introduction would cause a certain amount of unemployment, but that higher wages and lower prices would result in increased consumption, larger production and, therefore, in absorption of the unemployed. The Conference was right, but in practice the system failed to work, not only because the new rationalization was not always very rational, but also especially because the higher wages were not paid and so the beneficent circle never started. It is time that we begin to recognize that the Economic Conference was right and to make up our minds to act accordingly. Nevertheless a general reduction of wages has recently been recommended as a necessary measure by the employers represented at the International Labour Conference.

One last remark. Some time ago a prominent employer who wanted to convince me of the necessity of a general wage reduction, admitted that employers had the choice either of managing their enterprises in such a way that they could give their

employees an ever increasing standard of life, or of giving them more authority. I think that this latter will in any case be necessary.

Mr. Filene is right in saying that this crisis is "due simply to bad thinking, especially on the part of business men and financiers". How then, can we get to a definitely better state of affairs if the world economic planning remains exclusively in their hands? A voluntary business type of economic planning does therefore not appeal to us.

We are of opinion not only that the States will have to control this work because their task is to safeguard the common welfare, but we are equally of opinion that no economic planning will reach the necessary results, unless labour takes a large part in its direction. Surely it would not be social-economic planning, should not labour, which in civilized nations includes about 70 % of the population, be sure that its interests are duly safeguarded in the new society which we hope to build.

THE CONSUMERS' COOPERATIVE MOVEMENT AS ONE OF THE EARLIEST ATTEMPTS AT PLANNED ECONOMY

BY A. HONORA ENFIELD, SECRETARY OF THE INTERNATIONAL CO-OPERATIVE WOMEN'S GUILD, LONDON.

In his very stimulating paper this morning Mr. Filene presented a picture of mass production, operating through enlightened self-interest, as a method of providing a higher and ever-rising standard of life for the great mass of the people. He emphasized that it was in his view essentially a system of production for the masses. But he showed that up to now the enlightened self-interest had been largely lacking, that mass distribution has not kept pace with mass production, and instead of the higher standard of life all round, we have the present paradox.

I want to speak of a method of production and distribution for the masses which, like Mr. Filene's new capitalism, works so to speak automatically It is, however, not based on self-interest, but on the common interest - I mean the Consumer's Cooperative Movement, whose distributive operations now cover between 300 and 400 millions of the world's inhabitants.

I think the Consumers' Movement can claim to be one of the earliest attempts at planned economy, in the sense that it has always aimed at the conscious adjustment of supply and demand at a maximum level by means of coordinated effort, and each new step in its development has been dictated by this purpose.

But the type of economic planning envisaged by cooperative thought differs from all those outlined in Dr. Lorwin's paper in important respects·

1. While it implies social ownership and control of the means of production, this is not State ownership or control. Legislation can assist in effecting the transition to this social ownership, and to that extent the State may be called in. But the conduct of trade and industry would remain under voluntary control and leadership.

2. This control however is not that of the producers but of the voluntarily organized consumers and their representatives, and

the viewpoit on all economic problems is thus shifted from producer to consumer. Success and prosperity are measured in terms of consumption, not of production.

3. For State price-fixing, or other arbitrary methods of controlling prices, the cooperative plan substitutes the dividend on purchase, which automatically eliminates profit, and so ensures that at each stage in the commercial process the purchaser in effect gets his goods at cost price, which is kept as low as possible by reducing these stages to a minimum.

4. Supply is adjusted to demand as the natural result of consumers' control operating in a system in which every enterprise is owned and controlled by its own market and in which there are no profits, and from which therefore all kinds of speculative trade disappears.

5. The plan envisaged by cooperative thought is essentially international. It regards the world as a single unit. It can admit no barriers to international exchange that would benefit any one section at the expense of any other section of the universal community of consumers. But it rejects the "laissez-faire" policy, and looks to the organization of the total world supplies for the equal benefit of all the people of all nations by means of collective international machinery.

Now it may be admitted at once that the Cooperative Movement is still very far from realizing its plan, or even from perfecting its own planning machinery within the sphere in which it already operates. But what seems to me far more important from the point of view of this Congress than the extent of its achievement, is the far-reaching effect of the economic mechanism which the consumers' movement has evolved, of which the most important feature is the dividend on purchase.

Put shortly, the ultimate effect of the dividend on purchase is to do two things:

1) by eliminating profits it stabilizes the distribution of wealth,
2) by eliminating the profit-making motive it stabilizes money values.

Now Dr. Lorwin said that economic planning must demand some redistribution of wealth, and he traced - as cooperators do - the present lack of balance between consumption and production to the unequal distribution of wealth. But we need not only a redistribution of wealth; we need a means of ensuring that the better distribution will remain. As someone lately said to me "The trouble about economic affairs is that nothing ever "stays put" ". And under the present system that is so. If by some magic, wealth could be redistributed so that we all started equal to-morrow, by this time next year, things would be unequal again. because the profit-making system creates inequality by transferring as large a surplus as it can exact on every transaction from the pocket fo the buyer to that of the seller. If there is no such transference, then, in business parlance, the transaction "doesn't pay". The cooperative dividend restores any surplus to the pocket whence it came, and the distribution of wealth remains as it started. It "stays put".

And the purchasing power of money also "stays put". Price fluctuations and all the other variations to which they give rise, are due in the last analysis to the profit-making motive, which exploits every natural or social circumstance it can turn to profit. As Dr. Lorwin pointed out, every type of economic planning admits the necessity of putting some restraint on the profit-making motive. It is not only the disturbing element in economic life; it is an incalculable element, and the most perfect planning cannot succeed if it has to deal with a force that defies calculation. The cooperative dividend eliminates this motive by mechanically eliminating profits. In a completely self-contained cooperative community, the purchasing power of money would remain constant, except as it was increased or decreased by a real increase

or decrease in the production of the community as a whole. Every rise in productive capacity would thus automatically be reflected in higher purchasing power and a higher standard of life for the whole community. This same result could not be achieved by any system which depends for its success on enlightened self-interest, nor could it be achieved by any method of arbitrary price-fixing. For the profit-making motive remains even if held in check by State authority, as war-time experience shows.

As stability of economic life - the progressive stability defined by Dr. Lorwin - is one of the objects of economic planning - these effects of the consumers' mechanism seem to me to deserve very careful attention from this Congress.

There are several other features of the consumers' system which have an important bearing on the problems we have been discussing here. There is, for instance, the effect of consumers' control in adjusting supply and demand, and its effect on the kind of production for which productive capacity is utilized - a very important point raised by a speaker this morning. In a system in which buyers and sellers are the same people in their individual and collective capacities, first things naturally come first, and such a position as we see today, in which luxury production is developing side by side with the decline of the basic industries, would be impossible.

Again the method of cooperative finance, which differs somewhat from capitalist finance, has also an important bearing on questions of adjustment, particularly on that of maintaining a right ratio between wealth absorbed in production and wealth circulating as purchasing power, which seems to me to be the fundamental problem revealed by the world crisis.

I am afraid I have not time to elaborate that point, but I want to suggest that this and other features of what I have called the mechanism of Consumers' Cooperation, would repay very careful study. For it must be remembered that however far the Cooperative Movement may be from realizing its economic

scheme, it has proved that, in its essential features, that scheme works - that it is not a mere paper scheme. It has proved that practically every kind of commercial and industrial undertaking can be given a consumer's basis and carried on without the motive of profit.

I am one of those who see no hope for successful economic planning under the capitalist system, for a profit-making system seems to me, if scientifically analysed, to reveal suicidal tendencies that must sooner or later work its own destruction.

These tendencies might be held in check for a time, but only by putting the whole economic machine under very severe restraint; and freedom is essential to the best activity. It is one of the merits of the cooperative system that it works freely and automatically. Another merit is that the transition to it involves no violent upheaval. It could be effected by various means without any real hardship to anyone who is prepared to relinquish self-interest as the motive of economic activity.

DAS FUNKTIONIEREN DES INTERNATIONALEN FINANZSYSTEMS IN DER WELTWIRTSCHAFT

VON PROFESSOR Dr. MELCHIOR PALYI, WISSENSCHAFTLICHER BEIRAT DER DEUTSCHEN BANK UND DISCONTOGESELLSCHAFT UND PROFESSOR AN DER HANDELSHOCHSCHULE ZU BERLIN.

Was wir heute - schon seit einem Jahrhundert - moderne Weltwirtschaft nennen und der Fortschritt, die Entwicklung dieser Weltwirtschaft, sind nicht nur historisch, sondern auch in ihrem heutigen Aufbau fundamental durch die Kapitalwanderungen bedingt. Sie haben das Bild der Welt wie kein anderer Faktor umgestaltet und die kapitalistische Produktionsweise über die Erde getragen. Sie haben ermöglicht und ermöglichen täglich den Auf- und Ausbau moderner Produktionsstätten, Verkehrsmittel, u.s.w., indem sie die dafür notwendige Kaufkraft zur Anschaffung von Rohstoffen und Produktionsmitteln zur Verfügung stellen. Sie ermöglichen im weiten Umfang den internationalen Warenverkehr, der ohne langfristige Kredite zum guten Teil und bei Wegfall der kurzfristigen (sogenannten Rembours-) Kredite beinahe völlig erliegen würde. Dieselben Kapitalwanderungen sind auch weitgehend die Voraussetzung gewesen und zum Teil geblieben für die Menschenwanderungen, für die internationale „Dislokation" von Arbeitern und Unternehmern, die mit und im Anschluss an die Kapitalbewegungen stattzufinden pflegen.

Der Umfang der internationalen Verschuldung ist im Vergleich zu ihrer ungeheuren wirtschaftlichen und sozialen Bedeutung als sehr bescheiden zu bezeichnen. Man schätzte die auswärtigen Kapitalanlagen Englands unmittelbar vor dem Weltkrieg auf etwa 4 Milliarden Pfund Sterling, die Frankreichs auf rund 45 Milliarden Goldfranken, die Deutschlands auf weniger denn 30 Milliarden Mark. Im ganzen dürfte die internationale Kapitalverflechtung damals im Saldo, d.h. nach Abzug der sich wechselseitig kompensierenden Schulden und Forderungen, 40 Milliarden Dollar kaum erreicht haben. Der jährliche Umsatz an langfristigen Krediten, der über die Landesgrenze ging, mochte vor dem Kriege 3-4 Milliarden Dollar ausmachen; im Saldo blieben davon etwa 2½ Milliarden als Nettozunahme der internationalen Verschuldung übrig. Die Richtung des Kapital-

stromes war in der Generation vor dem Weltkrieg eindeutig die von wirtschaftlich fortgeschrittenen zu wirtschaftlich weniger fortgeschrittenen bzw. ausbaubedürftigen Ländern. Nach dem Kriege hat sich bekanntlich das Verhältnis von Gläubiger zu Schuldner zum Teil insofern umgekehrt, als die Vereinigten Staaten, die bis zum Weltkrieg Schuldnerland waren (Nettoverschuldung 1914: 3-4 Milliarden Dollar), während des Krieges und unmittelbar nachher die berühmten interalliierten politischen Kredite riesigen Umfangs zu gewähren vermochten und seither, seit 1921, auch noch ein System von privaten Kapitalanlagen im Auslande errichten konnten, dessen Gesamtbetrag heute mit etwa 17 Milliarden Dollar - an Stelle von etwa 2½ Milliarden Dollar, die sie früher besassen - zu schätzen ist. Von den Schuldnerländern sind Russland und China praktisch ausgeschieden, Deutschland ist vom Gläubigerland dritter Grösse zum Schuldnerland erster Ordnung geworden, das im Saldo Ende 1930 mit etwa 10 Milliarden Reichsmark langfristig und 5 Milliarden Reichsmark kurzfristig an das Ausland verschuldet war. Die jährliche Nettokapitalausfuhr steht nach dem Kriege trotz der inzwischen eingetretenen Geldentwertung beträchtlich unter dem Vorkriegsniveau, jedenfalls was langfristige Kapitalbewegungen anbelangt: Netto wird man den Umsatz im Durchschnitt der letzten Jahre mit etwa 1½ Milliarden Dollar einschätzen dürfen, wenn man Reparations-und interalliierte Schuldzahlungen nicht in Rechnung stellt. Eine gewisse Kompensation für diese verminderte langfristige Kapitalausfuhr liegt allerdings in der erhöhten kurzfristigen: der Umsatz in kurzfristigen Krediten internationaler Art ist zweifellos bedeutend grösser geworden als früher.

Der wechselseitige Zusammenhang zwischen Gläubiger- und Schuldnerländern ist ein überaus vielseitiger und von grosser Bedeutung. Freilich nicht in allen Fällen wird man von einem moralischen Zusammenhang dauerhafter Art sprechen können; die kosmopolitischen Bande des Kreditsverhältnisses haben selbst à la longue sich keineswegs immer als solche der Etik oder gar der Nächstenliebe ausgewirkt. Ganz besonders in den Beziehungen zwischen starken und schwachen Ländern, zwischen fortgeschrittenen und rückständigen Völkern, zwischen technisch

hochbewaffneten und militärisch schutzlosen Staatsgebilden sind gerade die Kapitalwanderungen zu den wichtigsten Wegbereitern des „Imperialismus", d. h. des Unterwerfens fremder Völker, der Ausbreitung eigener Macht auf Kosten konkurrierender Mächte und der Verquickung politischer und wirtschaftlicher Motive geworden. Und selbst unter politisch „gleichgestellten" Völkern, denen es aus dem Schuldverhältnis heraus nicht zu militärischen Kraftproben kommt, ist dieses Verhältnis keineswegs immer die Grundlage wechselseitigen guten Einvernehmens gewesen. Schuldner, die nicht zahlen konnten oder wollten, und Gläubiger, die auf ihre Rechte pochten, haben sich beiderseits unbeliebt zu machen verstanden. Der Mann aus Pennsylvanien, den man in den vierziger Jahren in keinem Londoner Klub zulassen wollte, weil sein Heimatstaat bankerott gemacht hatte, ist ein ebenso charakteristisches Opfer dieser Mentalität wie umgekehrt der Bankier, der seinen säumigen Schuldner mahnt, leicht in den Geruch des Wucherers gerät.

Sehen wir aber jetz von diesen ethischen und psychologischen Aspekten des Problems ab, so bleiben reichlich ökonomische und soziale Beziehungen übrig, um von einem engen Verbundensein von Gläubiger- und Schuldnerstaaten sprechen zu können. Die naive Auffassung, als ob der Schuldner, wenn er einmal das Geld bekommen hat, völlig frei wäre, zu tun und zu lassen, was ihm beliebt, ist durch ein Jahrhundert kapitalistischer Geschichte ausgiebig widerlegt worden. Jahrzehntelang haben in der City spanische und österreichische Anleihen keine Zulassung gefunden, weil die betreffenden Staaten ohne Rücksicht auf die Gläubiger bestimmte Anleihendienste eingestellt hatten. Der Schuldner ist auf neue Schuldenaufnahme angewiesen und gar im Falle kurzfristiger Verschuldung vollends vom Wohlwollen des Gläubigers abhängig. Aber auch das Wohl und Wehe des Gläubigers hängt umgekehrt mit dem des Schuldners zusammen: Wirtschaftskrisen, die das Schuldnerland zahlungsunfähig machen, haben notwendig die Folge, dass die Krise auf das Gläubigerland übergreift. Einige der grössten Krisen der neuen Geschichte, insbesondere die Krisen von 1825, 1873 und 1892 haben, wenn nicht ihren unmittelbaren Anfang, so doch ihre eigentliche Verschärfung durch den Zusammenbruch von

Schuldnerländern erfahren, der die Kreditmärkte der Gläubiger mitriss. Der Zusammenbruch der Schuldner tritt aber typischerweise ein: entweder, weil die Gläubiger die Kredite kurzfristiger Art zurückzuziehen versuchen - 1893 haben die englischen Banken ihre Guthaben aus New York im Betrage von angeblich einer halben Milliarde Dollar abgezogen und dadurch die Panik in Wallstreet heraufbeschworen, ähnlich wie 1931 in Berlin die Kreditabzüge der westlichen Bankwelt die akute Krise auslösten -, oder zum mindesten, weil der Zustrom neuer Kredite unterbleibt, auf den die Produktion im Schuldnerland sich eingestellt hat. Das ist der entscheidende Punkt: Kapitalimport grossen Umfangs, zumal, wenn er plötzlich einsetzt, pflegt typischerweise einen „boom" hervorzurufen, der sein Ende beim Versiegen der Kapitalzufuhr findet, weil er eine Produktions- und Umsatzerweiterung bedeutet hat, die auf den Import immer neuer Kapitalien eingestellt war und auf dieser ungesunden, spekulativen Grundlage eine Scheinprosperität vortäuschte.

Wie hoch man auch die wirtschaftliche und kulturelle Bedeutung der internationalen Kapitalwanderungen einschätzen mag, die Wirtschaftsgeschichte des 19. Jahrhunderts und der jüngsten Vergangenheit haben zur Genüge gezeigt, dass zum mindesten zwei grosse Gefahren mit dieser Kapitalverflechtung der Welt verbunden sind. Die Konjunkturabhängigkeit der Völker voneinander wird dadurch ausserordentlich verschärft, dass in der einen Periode in leichtsinniger Weise Kapitalien fremden Völkern zur Verfügung gestellt werden zu Spekulationsgründungen und eine hemmungslose Hausse entfaltet wird auf der Basis von angeblichen Zukunftswerten, die im fernen Auslande liegen und von niemandem richtig beurteilt werden können, während in einer zweiten Periode die Enttäuschung alle Kapitalhergabe stoppt, und selbst gesunde, wirtschaftlich zuverlässige und erfolgversprechende Zielsetzungen zum Stillstand gelangen. Die ganze Schwere des konjunkturellen Auf und Ab und die Heftigkeit dieser zyklischen Schwankungen werden in den Kapitalbeziehungen zwischen In- und Ausland womöglich noch verschärft.

Zweitens kommt hinzu die spezifische Schwierigkeit der gegenwärtigen Situation, die neben den Folgen einer vorangehenden Spekulationshausse noch mit einem zusätzlichen Unsicherheitsfaktor belastet ist. Ich meine die Tatsache, dass die Kapitalbewegungen der Nachkriegszeit (im wesentlichen aus politischen Gründen) in weit höherem Ausmass als früher in der Form kurzfristiger Kredite stattfinden; obwohl der Bedarf nach Investitionskrediten ein spezifisch langfristiger ist, so hat er sich doch zum grossen Teil auf dem kurzfristigen Kreditmarkt geltend gemacht. Das ging jahrelang so, und zwar zum Teil im stillschweigenden Einvernehmen zwischen Gläubiger und Schuldner, da ja dem Gläubiger in vielen Fällen keineswegs verborgen war, dass die Verwendung des Geldes nicht in so kurzfristiger Anlage erfolgen konnte, wie das nach traditionellen Grundsätzen hätte geschehen sollen. Diese Substitution kurzfristiger Kredite an Stellen, an denen naturgemäss langfristige hätten eingesetzt werden müssen, gab dem internationalen Finanzsystem der Gegenwartsgeschichte einen besonders prekären Charakter, und es war vorauszusehen, dass es früher oder später zu schwerwiegenden Konsequenzen führen würde.

Diese beiden Probleme, die Abschwächung der konjunkturellen Schwankungen in den Kapitalwanderungen und die Beseitigung der politischen Faktoren, die den internationalen Kredit in kurzfristige Bahnen zwingen, dürften zu den wichtigsten Aufgaben der Wirtschaftspolitik der Welt gehören. Sie bedeuten Aufgaben, die von einzelnen Ländern isoliert kaum in Angriff genommen, geschweige denn gelöst werden können. Es dürfte zwar eine Utopie sein zu glauben, dass man Konjunkturen völlig ausschalten und folglich auch ihre Wirkungen auf die Kapitalbewegungen restlos paralysieren könnte, und utopisch wäre es auch anzunehmen, dass mit Beseitigung der politischen Hemmnisse des Kreditsverkehr alle Problematik der Weltkrise gelöst wäre. Aber zweifellos haben wir es hier mit Unvollkommenheiten des gegenwärtigen Wirtschaftssystems zu tun, deren Verbesserung bzw. Ausschaltung einen entscheidenden Schritt in der Richtung zur Stabilisierung der Verhältnisse und zur Linderung der Arbeitslosigkeit in der Welt bringen würde.

Die internationalen Kapitalwanderungen haben als Organe gedient, mit deren Hilfe die kapitalistische Wirtschaftsordnung sich über die ganze Erde ausbreiten konnte. Sie dienen aber auch als Organe für die Ausbreitung von Konjunkturen. Sie tragen die Keime zur Hausse von einem Lande ins andere, und sie breiten die Depression aus, indem sie plötzlich zum Stillstand kommen oder gar in rückläufige Richtung umschlagen.

Es galt als die Funktion der Goldwährung, die konjunkturellen Schwankungen, die aus Aenderungen der Zahlungsbilanzen erwachsen - und die Kapitalwanderungen sind einer der wichtigsten Faktoren in der Gestaltung jeder Zahlungsbilanz - abzubremsen. Nahm ein Land in starkem Ausmass fremdes Kapital in Anspruch, so trat Goldzufluss ein; der Goldzufluss steigerte die Preise und förderte dadurch die Wareneinfuhr bzw. hemmte die Warenausfuhr. Die wachsende Konkurrenz des Auslandes auf dem Markte des Kapital importierenden Landes hemmte die Hochkonjunktur desselben und brachte sie vollends zum Stillstand, wenn die wietere Passivierung der Handelsbilanz zum Goldabfluss führte. Das konjunkturelle Auf und Ab wurde so durch den Wechsel von Goldeinfuhr und Goldausfuhr binnen verhältnismässig kurzer Frist gebremst. Das setzte freilich freie Bewegung des Goldes und Anpassung des inländischen Preisniveaus an die Goldbewegungen voraus; es beruhte auf einer vorausschauenden Diskontpolitik der beteiligten Notenbanken; es setzte freie Konkurrenz auf den Warenmärkten, freie Zufuhr und Ausfuhr fremder Güter und einigermassen elastische Anpassung der Produktion an die Preisänderungen voraus.

Diese Bedingungen für das Funktionieren der Goldwährung waren niemals vollständig verwirklicht und sind es heute weniger denn je in der kapitalistischen Geschichte. Die ohnehin beschränkten, aber immerhin wirksamen regulativen Kräfte der Goldwährung, die das Kreditsystem der Welt vor allzuweit gehenden Missbräuchen schützen könnten, sind zwar auch heute nicht ausgeschaltet, aber in ihrer Wirksamkeit so weit beengt, dass sie nur mit grosser zeitlicher Verzögerung zur Geltung kommen können. Kein Wunder, wenn der populäre

Irrtum entstanden ist, dass die Zerstörung des internationalen Gleichgewichts im Wirtschafsleben von der Goldwährung herrühre; in Wirklichkeit rührt sie von dem gehemmten Funktionieren dieser Institution ab, die wie alle menschlichen Institutionen nicht „automatisch" funktioniert, sondern nach Massgabe der Handhabung durch die sie leitenden Kräfte. Diese sind aber durch zwei Gruppen von Faktoren ihrer Anpassungsfähigkeit und ihres Erfolges beraubt. Der Protektionismus im weitesten Sinne, der den freien Warenverkehr von Land zu Land drosselt, den freien Kapitalverkehr hemmt, die Menschenbewegungen restringiert, der im Inland Zinssatz, Preise und Einkommen direkt oder indirekt zu regulieren versucht, dieser hundertköpfige Protektionismus ist es, der unserer monetären Ordnung selbst bei scheinbarem und äusserlich unverändertem Bestehen die volle Auswirkung nimmt oder sie jedenfalls in ihrer Auswirkung schwer verzögert. Dazu kommen die Risikomomente, bedingt durch innen- und vor allem aussenpolitische Störungen, die für den Kapitalstrom nicht nur effektive Hindernisse, sondern auch Unsicherheiten bedeuten und die rationelle Berechenbarkeit des Kreditverkehrs vielfach aufheben. Die Goldwährung beruht aber auf der Voraussetzung normal funktionierenden Kapitalverkehrs, mit dessen Wegfall sie nur künstlich aufrecht bleibt, und das Schwanken der Goldwährung macht den normalen Kapitalverkehr vollends unmöglich. Die Wiederherstellung des Funktionssystems ist die grösste Aufgabe der internationalen Wirtschaftspolitik.

Es ist eine typische Depressionserscheinung, Verantwortliche für den Preisfall zu suchen und womöglich das monetäre System, d. h. die Goldwährung und die Banken, haftbar machen zu wollen. Entweder soll die Golddecke zu knapp sein: als ob sie nicht jederzeit durch Herabsetzung der Deckungsquote, also durch Verminderung der Reservenhaltung für die umlaufenden Zahlungsmittel, erweitert werden könnte: oder es sind die Banken, die mutwillig mit der Kreditgewährung zurückhalten sollen: als ob es nicht im Interesse der Banken selbst läge, die Zah-

lungsunfähigkeit ihrer Schuldner zu verhindern und ihren eigenen Kreditumsatz zu erhöhen. Wenn man den Anteil von Schuld an der Krise, der dem Kreditsystem zukommt, feststellen will, so muss man eher von der Frage ausgehen, ob nicht die Banken zu freigebig waren in der Kreditgewährung, statt von der Frage, ob sie zu wenig freigebig sein. Die Ausbreitung einer Depression ist im letzten Grunde eine psychologische Angelegenheit. Der Preisfall, der an einer Stelle einsetzt, führt an dieser Stelle zu Krediteinschränkungen und von da aus weiter zu Ausverkäufen, Nachfragebeschränkung, Preisstürzen und sonstigen Krisenerscheinungen. Die Rolle des psychologischen Faktors besteht darin, die Sorgen der Interessen sozusagen von einem Markt zum anderen, von einer Kapitalanlage zur anderen zu tragen. Die einzelne Bank, und sie sei noch so mächtig, ist natürlich nicht imstande, einer international fortschreitenden Depression zum Trotz ihr Kreditvolumen auszuweiten; aber auch das Banksystem eines ganzen Landes kann das kaum oder nur in sehr beschränktem Umfang. Von der Kreditseite her kann man der Depression nur mit grösster Vorsicht und nur auf der Basis der Zusammenarbeit der Banksystem der Welt begegnen.

DISCUSSION PAR M. le Dr. MAX LAZARD, Paris.

Je serai bref, parceque si je devais parler longtemps, ce serait, avant tout, pour louer le Professeur Palyi de son remarquable exposé - et comme je sais que vous êtes tous d'accord avec moi, ce serait du temps perdu. Son exposé m'a paru remarquablement clairvoyant, équilibré, et fondé sur une connaissance de l'histoire économique très approfondie - ses comparaisons entre le passé et le présent sont du plus haut intérêt. Ce que j'ai exposé il y a deux jours, cadre à mon avis, avec ce qu'a dit le Dr. Palyi.

Le point que je voudrais développer est quelque peu subtil, mais j'y attache tout de même beaucoup d'importance. Le Dr. Palyi nous a montré que les mouvements de capital supposent la confiance dans le maintien de l'Etalon or, donc suppose une atmosphère politique satisfaisante. Pas de vie économique normale tant que la vie politique est sous la menace de troubles sérieux, notamment de troubles de guerre.

C'est là une idée à laquelle je me rallie complètement et qui me paraît très importante à considérer. J'irai un peu plus loin encore et je dirai que la confiance prêteur - qu'il soit à long terme, mais a fortiori si c'est un prêteur à court terme - a, dans le retour de la valeur qu'il a prêtée grâce au bon fonctionnement du „gold standard", montré bien que les capitaux eux-mêmes ont une nationalité, que la vie politique pénètre de ce fait dans la vie économique. Lorsque nous prêtons de l'argent à une entreprise étrangère ou à un pays étranger, cet argent conserve malgré tout un caractère national. Ce sur quoi nous comptons, ce n'est pas que nous retrouverons de l'or dont nous n'avons que faire, c'est que nous retrouverons de la monnaie de notre pays pour vivre dans notre pays, selon ses lois. Ce caractère d'affiliation politique, d'appartenance politique de la monnaie, des capitaux, des signes monétaires, me paraît très important à mettre en relief.

On a très bien compris, par l'exposé du Dr. Palyi, la substitution des crédits à court terme aux crédits à long terme, parcequ'on veut conserver la main sur son argent. Il en est de même d'ailleurs pour les crédits à long terme, et lorsque j'insiste sur l'importance du facteur politique, sur sa prédominance relativement au facteur économique, c'est que je veux dire que tout

de même, dans ce qui apparait le plus dénationalisé, c'est à dire les mouvements de capitaux, les mouvements politiques ont beaucoup d'influence.

DISCUSSION BY Dr. E. C. BENHAM, London School of Economics and Political Science, London.

I will not say that I know nothing about the intricate matters Prof. Palyi developed in his excellent address - in fact I know enough about them to appreciate his point of view and am almost in complete agreement with him. I shrink from venturing into dispute with him - yet I shall try to pick out the only controversial point I can find - that is the question of whether general inflation, general world inflation, of all gold standard countries together, would be the same as particular inflation in one country only. I think not. I think there is an analogy here between different banks in one country. If one bank begins expanding its loans faster than the others, it loses money to the others and has to stop. In the same way, if one country on the gold standard inflates and the others do not, it either has to stop inflating or to get off the gold standard. But "gold inflation" such as occurred in the United States up to 1929, is possible with fixed rates of exchange.

One country need not lose gold to another and the gold standard system as a whole could inflate, whereas inflation in one country alone would not be possible if that country wanted to remain on the gold standard.

It has been argued that inflation is desirable. At present, with the low level of prices and the high value of gold, the burdens cast on the national income of every country by the rentier class, are becoming very serious. We have seen it in England and steps have had to be taken in most other countries - the position is felt acutely everywhere. Industries are hampered, budgetary positions of governments are made difficult and serious by the fact that, as prices fall, the fixed amount of money that has to be paid out for fixed claims is increasing and becoming more and more difficult to pay. Wages and pensions are kept fairly rigid and it is argued that it is difficult to reduce them and that as prices fall so is the position made worse. Thus,

as said, there is perhaps some reason for gold inflation and therefore for closer cooperation between the central banks of the world.

However, I quite agree with Professor Palyi that first we must be very careful. It would undoubtedly be a good thing if some means could be invented which could keep everybody in a very mild state of intoxication. But unfortunately that does not happen - there always comes the morning after. And after the inflation come the crisis and the troubles which Professor Palyi has described.

I do not therefore suggest inflation but rather that in certain cases, at certain times, the central banks of the world might get together and manage the price level a little. It seems absurd that we should let our prices depend entirely upon the quantity of a certain metal which happens to be dug out of the earth or kept in particular banks. However, it is not quite as bad as that - we do manage the gold standard a little and we might get the central banks to manage it a little more.

All this, however, does not, of course, conflict at all with what Professor Palyi said when he made the point that the monetary position, the maldistribution of gold, is not really the chief cause of the present world depression. It is over-production - relative, not general over-production, because that is impossible. When we say many people are badly underfed, badly housed, badly clothed, it is apparent that we could use all the extra production that we can bring into the world and distribute it among them. If our incomes doubled we would not use twice as much of everything - we might buy less of some things, three times more of others, fifty less of another, etc. The great difficulty in planning is w h a t to produce. We must produce less of some things, more of others, etc.

There are, therefore, two problems, twin problems in production: firstly a problem of efficiency, of producing as much as possible from the human material and resources at our command; secondly the problem of w h a t to produce. You have a certain amount of capital - into what channels shall it go? If you send more men for coal mining, you will have less for building, etc. This is the difficult problem which the world has to face and to solve.

DISCUSSION BY Mr. J. H. COHEN STUART, Amsterdam.

Speaking as a practical banker, I should like to restrict myself to a few facts - a few practical points.

I realise that under the present circumstances in which the world finds itself, it is very difficult really to say anything constructive, because it seems to me that at present all the world is just drifting and there is really no concerted policy and certainly not in monetary matters. What is the position? The other day we read in the papers that the United States had proposed to Brazil to exchange some of its huge stock of wheat, which the American government has been accumulating on the strength of a policy which I do not propose to comment upon, against part of those other huge stocks of coffee which Brazil, on the strength of the same policy, has also accumulated.

What does it mean? It means that these articles have gone from private to governmental control - a very important fact: it shows an attempt at world development which may be the beginning of this new world planning that has been proposed here; but we should also realise that it practically means the end of all private trade in the world.

The next point is this: the present difficulties in Germany seem to be leading to liquidation of German goods. I call it liquidation, because there again it is not really a matter of normal trade but of Germany. Germany has no option of selling on the market whatever goods she has and in this way of securing the means of paying for her imports. We have here the same thing that is happening in Russia.

I will not enter into discussion about Russia. I think that, fundamentally, the situation is very similar to the one in which Germany is going to find itself. To understand it properly, we should make quite clear how these exchanges can be settled between countries.

Prof. Palyi said a thing which struck me very much, though it is very simple, namely, that the gold standard is based on capital movements just the same as capital movements are based on the gold standard. Of course he is right, that is so. But there is another thing. Balance between countries - balances of items - are settled in goods, either imports, or exports. If

there is a difference, it must be settled in goods, services, shipping, etc., or by capital movements, or by gold. Gold always is, as it were, a last resort, and that is why, when gold begins to move, it is always a dangerous matter, and why generally the movement of gold is followed by a rise in interest rates. Now the position is this, that if you stop moving gold, as Germany had been compelled to do, if capital stops coming in, as has been the case in Germany, then you have to settle the difference in goods. Practically the same thing happened in Russia, where you find the balance of payments is, in reality, a balance of goods. But this in practice means that the countries who are finding themselves in difficulties all over the world - and have no more gold - are forced to export.

We see them drifting into a situation which is growing worse and worse every day. How can we solve this problem? I do not know. Certainly it is a very dangerous drifting movement, and whether it would be possible to stop it by some great proposal such as, for instance, Dr. Lorwin's proposal, I cannot say. But one thing is certain, and that is that if credit is not restored, it means the collapse of the current systems, and of the current standard.

DISKUSSION VON HERRN M. D. DIJT, Landwirt, Holland.

Als praktischer Landwirt habe ich mit grösstem Interesse die wichtigen Vorlesungen und Diskussionen dieses Kongresses angehört. Und als Resultat meiner Beobachtungen möchte ich sagen, dass ich mit sehr viel Freude hier gewesen bin und gesehen habe, dass Oekonomen der ganzen Welt hier zu internationaler Zusammenarbeit zusammengekommen sind, um zukünftige Weltkrisen zu bekämpfen. Aber wenn ich mich abfrage, ob die Projekte und Pläne, welche gegeben worden sind, uns Landwirten Hoffnung geben, dann muss ich leider sagen: Nein! Alle Pläne, welche hier behandelt worden sind, waren hauptsächlich industrielle Pläne und die Landwirtschaft, ist m.E. vernachlässigt worden. Doch ist es die Landwirtschaft, worauf die ganze Oekonomie beruht. Landwirtschaft und Industrie sind zwei verschiedene Dinge, die beide behandelt werden müssen.

Wenn wir in der Landwirtschaft eine kleine Ueberproduktion

haben, dann müssen wir beschränken, dann haben wir keine andere Lösung für unsre Probleme als Restriktion, und das bedeutet für uns Armut, Untergang. Das bedeutet, dass wir einige Jahre mit Verlust arbeiten müssen. Für diese Verluste sind keine Kredite gemacht. Wenn Herr Palyi so gut wäre uns Landwirten eine Million Kredit zu geben, könnten wir sie nicht gebrauchen; wir könnten sie nicht rentabel machen. Wir könnten sie höchstens gebrauchen um billigen Boden zu kaufen in der Hoffnung, dass das Land später teurer werden würde, aber wir könnten nicht damit produzieren. Wenn es nicht gelingen wird, die Preise in der Welt zu stabilisieren, wird es auch nimmer gelingen, die Konjunkturschwankungen zu stabilisieren. Und wie Herr Palyi sehr richtig bemerkt hat, sind alle nationalen Valorisationen misslungen. M.E. könnte man, wenn man nicht zum Kommunismus übergehen will, die Preise der Landwirtschaftstapelprodukte, wie Weizen, Roggen, Baumwolle u.s.w. nur durch internationale Zusammenarbeit der kapitalistischen Staaten stabilisieren. Es gibt nur zwei Wege, die wir gehen können: der Weg, den wir bisher gegangen sind, ist für uns nicht mehr zu gehen.

Wenn wir Herrn Ossinsky haben sagen hören, dass wir diesen kapitalistischen Weg zu verlassen haben, um überzugehen zum Bolschewismus, dann haben wir auch gehört, dass Menschen mit abendländischer Kultur diesen Weg nicht leicht gehen können. Gibt es denn keinen andren Weg als die kapitalistische Welt, die zugrunde geht, und den kommunistischen Weg, worauf wir uns nicht wohl fühlen? Ich glaube, dass wir noch einen andren Weg haben, nämlich denjenigen der internationalen Finanzierung der Stapelprodukte der Landwirtschaft, wie Weizen, Roggen u.s.w.

Ich habe berechnet, dass es in den Staatengruppen von Europa und Amerika 250 Milliarden Gulden Staatsschulden gibt und nur für 3 Milliarden überflüssige Stapelprodukte der Landwirtschaft. Und letztere verursachen die Krisen, wodurch wir zugrunde gehen und wodurch es 20 Millionen Arbeitslose gibt. Wenn diese Ueberschüsse gemeinsam finanziert würden und diese Staaten gemeinsam ein Institut errichten würden, um die Vorräte an Stapelprodukten der Landwirtschaft zu finanzieren.

die Verluste davon zu tragen und damit die Preise in einer Weise zu stabilisieren, dass sie nicht zu hoch und nicht zu niedrig würden, dann würden wir einen praktischen Ausweg haben.

Ich habe keine Zeit mehr, die Sache gründlich zu besprechen, aber ich habe auch noch berechnet, dass wenn man das ganze finanzieren sollte, es vorläufig 300 millionen Gulden pro Jahr kosten würde, vielleicht würde es später mehr sein. Das scheint viel zu sein, aber es ist nicht so viel, wenn wir wissen, dass für Rüstungen für Kriege u.s.w. allein schon 7.5 Milliarden pro Jahr ausgegeben werden. Wenn es gelingen würde im Jahre 1932 nur eine Halbe Milliarde zu ersparen, könnte man damit die Preise in der Landwirtschaft stabilisieren.

Wenn wir diesen Weg nicht gehen können, bleibt für die Landwirtschaft nichts andres mehr übrig als der Kommunismus.

ECONOMIC SERVICE OF THE LEAGUE OF NATIONS

BY DR. RUDOLF BRODA, ASSOCIATE PROFESSOR OF SOCIAL SCIENCE AT ANTIOCH COLLEGE, YELLOW SPRINGS, OHIO. U.S.A.: PRESIDENT OF THE LEAGUE FOR THE ORGANIZATION OF PROGRESS.

Comprehensive planned production inside of the limits of a single country is possible only on the condition that the country is economically self-sufficient. This condition is, to a limited extent, fulfilled in the United States, in the Soviet Union and in the British Empire. It is fulfilled nowhere else.

All-inclusive planned production is possible only on a world wide basis and could be organized only by an all-inclusive and strong League of Nations. Such a League only could redistribute the Centers of Production throughout the world, in conformity with supplies of raw materials, transportation facilities, proximity of areas of dense settlement, just as the authorities of the Soviet Union endeavor to do now for the different regions of the Union. Such a League only could adapt World Production to World Consumption on a clear cut statistical basis and eliminate thereby the hardships of the business cycle. Such a League only could supervise and organize migrations from overcrowded to younger countries, improve the relation between the natural resources to be exploited and the labor supply, and increase thereby the income of humanity to be shared by all.

I know of course that these are not tasks of to-day and tomorrow, but for the future. We have, however, in the present to prepare for the future. I claim that, in order to decide whether to-day we should make the experiment, it is important to know whether the League of Nations has the possibility of developing toward greater strength and whether it will be able in the future to accomplish such important tasks. My Russian friends will of course say that the future world federation which ought to undertake these tasks, should be a communist world federation. I do not disagree with them - I might prefer it myself - but I do claim that it is not absolutely necessary to wait until the time comes when the world federation can be of a socialistic nature. I believe that a great part of this task can be accomplished, even during the period when the world federation is of a mixed

nature, composed of both socialistic and non-socialistic nations, though that might not be so satisfactory. I admit that a mixed world federation, where both capitalistic and communistic forces would be represented, could not do these things so well as in a communistic federation. But it could perhaps do them in a reasonably satisfactory way. My Russian friends will be the first to agree that at least the organisation of credit for developing the production of the Soviet Union could be done perfectly well to-day by the present League of Nations, strengthened in a reasonable way. I submit therefore that we should not wait for, say a hundred years, until the communistic world is in existence.

While these tasks may be incumbent upon the next or following generation, we are to-day forced by urgent necessity to remove the obstacles obstructing international trade and at least to mitigate the economic world chaos which engenders the present world depression and may do so again in the future. The statesmen who dominate the League of Nations admit this duty. Have they been able to do justice to their task?

The record of the League points to successes in the field of public finance. The currencies of Austria and Hungary as well as of other countries have been re-established with the technical support of the League and partly through loans, granted by other nations, because League supervision increased the credit of the borrowing nations. An International Agricultural Mortgage Company is being established at this moment to support the peasants of Eastern Europe and the organization of its facilities progresses in a promising way.

The Convention against export and import prohibitions on the other hand has not been ratified by a sufficient number of countries and the convention for a "Customs Truce" has failed in the same way. There is somewhat better progress for some minor endeavors regarding trade in animal products, customs terminology, unification of laws on checks etc. and the endeavors for consolidating European Economy are in a stage which does not allow final judgment. The help of the League granted towards the Economic Reorganisation of China, may lead to results somewhat on the lines of Austrian financial reconstruction.

The Gold Delegation of the League may, in the further progress of its labors, open avenues for stabilizing the purchasing power of money and thereby close one of the main sources of economic instability.

A meeting of National Economic Councils which took place in Geneva in March was initiated by a resolution of the League Assembly and may help to visualize the necessities of international economic cooperation. The efforts of the International Labor Organization for combating the overproduction of coal by a limitation of hours in coal mines have also to be noted on the credit side of the League ledger while the "Chadbourne Plan" for stabilizing the sugar industry was executed in an independent way.

It appears from the foregoing that the League is able to solve non-controversial problems and to concentrate international support for remedying localized maladjustments. But it has so far been too weak to overcome the resistance of national egotism and thereby to solve controversial problems. Multilateral bargaining has proved to be more difficult than bargaining between two countries only. The necessity for unanimous decisions and the absence of any power connected with mankind's interests and able to crush particular national interests renders international economic legislation extremely difficult. If the Delegates to the Assembly of the League were elected by the parliaments, by proportional representation, if international parties thereby could develop (comparable to the labor group in the International Labor Conferences), some motive power for overcoming the resistance of national egotism might develop.

My first provision for reorganizing and strengthening the League of Nations, for enabling it to do its duty, would be such a change in its constitution as to do away with the unanimity requirement for concluding international conventions. That is impossible, however, so long as governments stand against governments and would always feel humiliated if a decision were imposed without their consent.

My second provision would be that the delegates to the assembly of the League of Nations should be elected by the various Parliaments on the basis of proportional representation instead of

being appointed by the governments. This could be done without changing the Covenant. I should prefer, however, that the delegates to the assembly be elected by direct popular vote, thereby enabling international political parties to come into existence. New independent impulses would grow in these political parties. At present, government delegates always have to wait for instructions from their cabinets sitting in far-distant capitals, and are unable to hold independent political opinions. Such an arrangement as herewith suggested would provide greater willingness for the international solution of international economic and social questions. The motive power would be greater to undertake international economic planning on a large scale.

I know that to-day my proposition is hopeless on account of conservative resistance and particularly because the two most progressive countries in the world, whose help is needed to democratise the League of Nations, prefer to remain aloof, to be onlookers and to criticise from outside. They ought to come in and collaborate with the nations in the League and to bring in their progressive impulses. If the U. S. A. and the U. S. S. R. were included in the League of Nations, the democratic ideas there would be infinitely stronger. Their objections against the League would thus lose much of their force, because they would themselves help to overcome the need for such criticism by democratising the whole organisation.

The League of Nations, reorganised in such a way, could endeavor also to supervise international cartels, avoiding monopoly prices by the methods applied by the Interstate Commerce Commission of the U. S. A. and develop in these cartels an efficient method for avoiding overproduction. The League could in a more systematic way than hitherto organize the granting of credits to impoverished countries and safeguard thereby the export of merchandise from other countries suffering from overproduction. If such plans could be applied to the needs of Russia and China the crisis of overproduction would be over.

I claim that the League of Nations can be re-organized in such a way that it could undertake International Economic Planning. In the role of a sort of super-state, the League could thereby become the central agency for stabilizing production and for

more systematic distribution. The partial failure of the efforts of the League of Nations to solve economic problems must not lead to abandoning such efforts but only to such strengthening of the League machinery that future efforts may be more successful.

INTERNATIONAL ECONOMIC TREATIES

BY JOSEPH P. CHAMBERLAIN, LEGISLATIVE DRAFTING RESEARCH FUND, COLUMBIA UNIVERSITY, NEW YORK.

Our Conference is gathered to explore the possibilities of an international organization of production, - a planning on an international scale of those processes and procedures in the economic life which it is believed, in different degrees, it is true, must be regulated internationally if they are to be regulated successfully at all. Our coming together is proof that we believe that in addition to each national society there is a world society and that there are certain functions which must be dealt with in some way by the world society if they are to fulfil the needs of the people in each national society. Nations have never lived unto themselves. World economics existed in fact at the time when Albrecht Dürer crossed the Alps with Nuremberger merchants to trade in Venice, and even earlier when the Venetian and Genoese galleys sailed to Constantinople and to Alexandria to exchange the produce of Europe for that of Asia. International business was the life of the Italian cities, then of the Flemish, then of the great merchant towns of the Low countries. It extended up the Baltic and unto the borders of the Arctic Ocean and brought prosperity to many communities on the coasts of Europe. The discovery of the new world and the sea route to Asia accelerated the progress of international trade which grew in spite of the wars and the intense nationalism of the 16th and 17th centuries, and that commerce and trade will play an important part in the lives of the people of the world so long as they have wants and needs which cannot be satisfied by the products of their own national territories, and so long as they have the insatiable wish to visit strange lands.

While international trade is no new phenomenon, there has developed within the last half century a new spirit in respect to it. Business men have felt the need of an international regulation, an international ordering of their affairs, and have to an increasing degree been demanding of the governments that these needs be satisfied. With the coming and progress of the industrial revolution the volume of world business increased, and to answer the need for better and quicker transportation of the

heavy freight and passenger traffic, came the railroad and the steamship. Developing business demanded a developing system of communications, both for news and for letters carrying orders and business letters to the ends of the earth, not alone from country to country, but from one country across another, and a third perhaps, to find in a fourth their addresses. Both in response to the quickening tempo of affairs and in itself a means of accelerating world affairs, came the telegraph and cable, and finally the utilization through the radio of the ether frequencies, the use of which is only in its infancy.

Thus the world toward the middle of the last century was faced with the dilemma, which has since gone on increasing, of business and commercial relations developing more and more upon an international scale, while on the other hand the national state was strongly entrenched as a force toward national particularism, nationalism and internationalism. Behind the state, however, there always remain the individual and groups of individuals, who have needs and desires, and it is from the play of these needs and desires, some historic, some economic, some sentimental, that come the great movements toward nationalism or internationalism. The interests of individuals, social and economic, are the basis on the one hand of narrow nationalism, and on the other, of the demand for a recognition of the need to them of the wider field of world economic intercourse. Governments, especially modern democratic governments, must respond to the wishes of their people, and it is the business and labor groups, now better organized than ever before, who form the motive force for improvement in world as in national economic organization. The progress which they have made in the last fifty years, - I do not include the results of the League of Nations, - is an encouragement to those who believe that international action in some cases is necessary if the present system is to function properly. An extensive internationalization of business has been going on, as far as possible without any interference on the part of the governments, and conceived and carried through solely by business men themselves. In an increasing number of instances, however, the action of governments has been essential to accomplish definite economic ends. We have long been accustomed to

consular conventions and treaties of commerce between two countries regulating trade relations on a basis of mutuality, but in the last half century this device for international regulation of economic affairs became insufficient. Not two countries alone, but a group of countries must unite in common action if certain interests are to be properly served, and the political sense of the world has developed and elaborated the multilateral treaty as an answer to this need. Sixty years ago there were few and such as existed were regional. Today it would take more than the few minutes I have at my disposal to ennumerate the list of such conventions, and new ones are being negotiated every year. This tendency evidences the cautious extension of international regulation as a result of the development of an international will of the interested groups in different countries. For it still remains true that there is no international government and no immediate likelihood of one; so that the international will can be expressed only through the action of national governments and can be carried out only through national administrations. It is only the national government that has a means of declaring its will in law, of assuring the execution of that will through its administrative and police force, and of guaranteeing its final sanction by its courts. Where, however, that national will thus fortified is the expression of an international will which has been developed in an international conference and embodied in a convention, it can truly be said that the national government is acting as a kind of administrative agency for the international society, although the representatives of the national governments have signed the treaty freely and could not have been coerced by any international legislature into doing it. They represented, in signing the treaty and in carrying it out, the interests of the citizens of their own state, but interests of the citizens of their state were so bound up with international interests that they could not refuse their signature. In other words, the acts of the governments in approving and carrying out multipartite agreements in relation to economic affairs are dictated by the needs of the international society of which their nations form a part, and respond to a demand on the part of the people.

I can perhaps illustrate this point best by describing the internationalization of means of communication, a process which has gone a very long distance since the first telegraph convention was signed in 1865 and created the international telegraph system needed to serve the needs of European society. It soon extended beyond Europe in response to a demand of world society, and the United States, though not a signatory, is in practice associated with the Union through its great telegraph companies. Outstanding is the Postal Union, which from its foundation in 1874 has been both in area and in service extending steadily. The Postal Union Convention declares that the signatory countries form a single postal territory for reciprocal exchange of communication. All persons, say the contracting powers, have the right to use the services of the Union. In the Convention itself are fixed the maximum rates which can be charged for letter postage, are fixed the means by which nations of transit are repaid for fulfilling the duty which the Convention puts upon them of carrying the mail matter of other countries across their territory for delivery in cities and towns of other member states, and in great detail of the obligations of states between themselves and of individuals who use the postal service regulated by the Convention. The Convention resembles in many of its provisions a national statute regulating postal affairs, and it is just as binding on the countries of the world as is any national statute on its people. In fact, it goes further: it binds in reality the individuals who exercise their right to use the services of the Union, and it binds them no less tightly because the only means of enforcement of their obligation is through the national states which have bound themselves to carry out the agreement. Equally in the telegraph and radio conventions are the duties and rights of individuals laid down in a detailed fashion. Sometimes the detailed provisions are contained, not in the treaty itself, but in an annex or what is termed regulations. This, however, is form and not substance. In either case what has happened is that a certain function necessary to civilization of the present day has been accepted as a subject of international legislation and of international legislation that regulates in form relations between states, but in fact the rights and duties of individuals to be

enforced by the states. The latest conquest of man, the air, illustrates forcibly both in the radio and in the air navigation this necessity for international legislation. The Air Navigation Convention lays down with great detail the rules of the road in the air, the method of landing at airports, the qualifications of airships and pilots, and the marks that airplanes must carry, and the Radio Convention has made a first step in assuring an orderly use of the air. International anarchy in the use of the radio would mean that no one could benefit from it.

Obviously the old system of making a treaty once and for all, and providing no means of reconsideration of its terms to fit them to new conditions would not be satisfactory in dealing with the changing picture presented by economic conditions. The political sense of men has met the need. The states have agreed in their conventions that they will reassemble at periodic intervals in a new conference to consider changes and improvements in the convention. That is, a permanent semi-legislative body is set up through the obligation of the states to attend at regular intervals the revising conferences, but at these conferences the old international unit rule persists. The liberum veto properly applicable to political affairs under which it grew up, hampers the free development of these beginnings of international legislation affecting in detail the rights and duties, not of the states alone, but of individuals.

In practice, however, there has been less difficulty than might have been feared. States which do not like action taken in a conference have nevertheless withdrawn their objection and remained in the Union because although a change may, they believe, be contrary to their national interests, still the interests of their nation in continuing in the Union remains paramount to other advantages which it may seek and for which it may fight in conference. Another need of the international economic organization is that of an organ which can keep the members informed of developments which can collect and crystallize experience under the convention for suggestion for future conferences, which can adjust settlements of payments so often necessary between governments and which can advise on the interpretation of the convention. This need has been met by

the international bureaus set up for all of the great unions. The field of their activity and their importance has tended to increase substantially so that they are now very important wheels of international administration.

Furthermore, the detailed regulatory provisions of the treaties cover subjects which would in most national governments not be incorporated in a statute, but would rather be administrative orders or decrees which could be modified by the technical experts of the government without calling upon the cumbersome and slow-working device of an act of the legislature. An international conference is far slower and more clumsy than a national legislature; it is not adapted to all the needs of the new-type conventions. Changes in the kind of regulation found in international conventions should be quickly made to relieve from inconvenience the individuals concerned. They are also properly questions to be disposed of by experts. They involve technical questions which have no political importance and will not alter the fundamental conditions of the treaty. In response to the need for prompt and expert change in detailed regulations, a new piece of international machinery is appearing - the technical commission - which corresponds very closely to the rule-making administrative body of a national government. The international rule-making authority does not act by unanimity. The l i b e r u m v e t o has here no effect. In the Air Navigation Convention, an international commission for air navigation is set up, composed of experts appointed by the governments and meeting at least annually, which may amend the regulations which contain the rules of the road in the air, provisions in respect to the marking and qualification of planes and pilots, and other details, and which may amend these regulations by a two-thirds majority. The changes go into effect on notification and do not await the approval of the states. In the Berne Railway Conventions of 1924 the technical commission may change certain complicated provisions in the annex, and changes made take effect two months after notification, if two governments have not objected. The Postal Union, for the detailed provisions of its law, has a characteristic means of amendment through a postal vote in the intervals of the meeting of its conference. A two-thirds majority

are also covered by the international law of an international convention, applied by the legislatures and courts of the signatory states.

Perhaps the most interesting instance of the development of international organization had its origin in a field outside of business, but points to perhaps the most significant regulation in international trade. The countries which gathered at Shanghai in 1909 to regulate the opium traffic were concerned with the devastation of smoking opium in the Orient. They found the problem extended beyond smoking opium to drugs, and a new conference had to be called at The Hague, which, in 1912, drafted an international treaty binding the governments to regulate and limit the sale and use of smoking opium and the manfacture and commerce in drugs. Here again, as the Congress of the United States declared, no one country could possibly protect its own people from the scourge of addiction, but must depend on the support of other countries; that is, a national law with national enforcement was not sufficient to guard against the abuse, but an international law enforced through the national governments was essential. The Hague Convention contained no administrative organization, but with the coming into effect of the League of Nations an Opium Advisory Committee was set up with the purpose of having a technical body representing the governments meeting regularly, both to observe the carrying out of the treaty, to collect information leading to improvements in the treaty, and to suggest to the governments administrative procedure to make possible the accomplishment of the results aimed at by the treaty. A still stronger administrative organization was the Opium Control Board set up by the Treaties of 1925. This Board was a strictly international organization composed of experts appointed by the League, not representing any government, whose duty it was to watch the international traffic in narcotics, to collect statistics, and to call the attention of the League and the governments to the existence of conditions which are likely to lead to a breach of the Convention. Even this has not proved sufficient to control the evil, and the international will is trying to find a way to do so by direct control of manufacture of dangerous drugs. The governments met in May of this year to plan a

method of limiting the manufacture of dangerous drugs and of adjusting the amount manufactured to the legitimate needs of the world. The members of this conference should observe closely the future developments in the control of the opium traffic.

The countries then have had a very considerable experience and a great success in the treatment of international interests by international legislation and regulation and with a minimum, but an increasing degree, of international administration. There are a few lessons which we may learn from this experience. One is the increasing use of the expert, the trained man, in the negotiations which lead to the drafting of the convention, and in the process of drafting the convention itself. Obviously these conventions are not the business of the ordinary diplomat but are the concern of highly trained technical experts. Their work, however, is normally controlled by being referred back to their governments, which in turn take it up with the business and social interests affected and through those interests can be assured that the law will fit the facts. The commissions which have the power of amending and changing the law are also experts and the international use which they serve cannot help having an effect on their deliberations quite apart from the national interest which they will also inevitably and quite properly represent.

Business interests concerned are also being called in, not only by their own governments in preparing for and considering the position which delegates of that government should take, but in the conferences themselves where the rule is made, and even, as in the case of the telegraph and radio conventions, on the technical commissions which study the changes to be suggested in the conventions and regulations. At the latest of these great conferences, the International Radio Convention at Washington, in 1927, there were present representatives of 41 companies from 11 countries, who took an active part in the committees of the conference, submitted suggestions to the conference itself and were called upon for their opinion. The part taken by private organizations, by technical experts of every kind in the pro-

ceedings of the conference, resemble the proceedings before an American Congressional committee preparing a bill on an important topic rather than the usual conception of a diplomatic conference between governments. Private corporations and groups of individuals organized to promote their interests are finding their way, not only indirectly but directly, into these conferences and into the perhaps more important preparatory committees.

Said a representative of the United States at the first sitting of the technical committee of the Radio Convention:

> The experts representing the operating radio companies of the United States therefore greatly strengthened the delegation and were enabled to make valuable contributions in the technical discussions. Experts from United States operating companies were thus enabled to even act as chairmen of sub-committees, secretaries, and to perform other important functions. (Keith Clark, p. 202.)

This is a normal development in view of the consideration that these conferences are laying down the law not as between governments alone, but as regulating through the governments the actions of individuals and determining their rights. Where the individual is so closely concerned, the individual should be admitted to be heard, and the powerful business corporations and organizations of individuals in the world today are in a position to see that they be heard and be listened to. It is not fortuitous circumstance that the International Chamber of Commerce has come into being at this time and is extending its activities. It is not chance that at a time when the law of labor relations is being debated in recurring international conferences, unions and organizations of employers should internationalize themselves to protect their international interests.

All interests, however, are not world wide. In some cases only a group of states are affected and only the group of states affected should normally take action. International experience is explicit on this point. The Postal Union authorizes the postal administrations to make agreements among themselves which do not interest the whole Union, and this provision has been utilized to set up a Pan-American Union and to provide for the reduction of the cost of postage and for additional postal services between member states. In the field of radio there are certain classes

of waves which are world wide and certain services which need world-wide control; and others which are continental only in their scope. So in addition to the world-wide radio convention there is an arrangement on the North American Continent which does not concern other countries, and a conference held recently at Prague on broadcasting was attended by European governments and by the United States only as an observer. Another example of wise regionalism is the Berne Convention, which covers only European territory, while the international convention on liberty of transport under the auspices of the League is world wide. To go back to the international sea, a convention on the North Sea fisheries would concern only the North Sea powers and it would therefore simply complicate the situation if other countries appeared at a conference te determine how fishing could be carried on in that regional area. Where the bond that is depended on to hold the group of states together is interest, it is unwise to bring into the conference which makes the international law or the control body which operates it, any state not deeply involved in the problem and which would therefore be inclined to negotiate, to advance its own interest in other fields, rather than to secure the best regulation of the interest concerned.

The experience in international control of communications and of opium is an encouragement to develop the control of other parts of the economic system which must be subject to international regulation if they are to be successfully regulated. A procedure has been developed by the practical political sense of the world which can be widely utilized. International regulation of business implies the necessity for machinery which may act with fair promptness to keep that regulation in touch with progress, which can act promptly to correct mistakes and to expand the original expression of the international will. This need may be met by the device of regularly recurring conferences to deal with questions of principle and the creation of a permanent expert commission to deal with the details of regulation, - the day-to-day administrative details, and correspondance between nations. Advice as to interpretation of the international agreement may be met by the well-known device of the international bureau. The new

position given to business and labor groups in the preparation of such conventions is a further guarantee to business men and unions that their interests will be looked after, not by government representatives at a distance, but by unofficial representatives of their own on the spot. Even in the administrative commissions the influence of organized business groups expressing the business judgment, not only of their own countries, but of the world, will prevent the administrative commission from becoming a bit of hard-and-fast bureaucracy.

Vitally significant is the use of the expert, technical, business, or labor, throughout the whole negotiation and drafting of agreements. Not diplomats or foreign officers, but men who know the subject matter and who know the business organization and the administrative possibilities in their own countries, are coming to the front in the development of the international economic law.

This budding organization of the world society offers a promising outlook for world economic planning, but it also offers a machinery which is well constructed to detect fallacies, especially in any project for world planning. It is therefore not only an opportunity but a warning to the Congress to look closely to the detail as well as to the general scope of any project which it favors.

The developments which I have so hastily sketched illustrate the correctness of a statement made by a Justice of the Supreme Court of the United States many years ago, interpreting the words "international law" as including treaty and especially in multipartite treaty obligations. The statement is well calculated to encourage this Congress to persist:

> International law includes the entire body of the obligations which one nation owes to another in respect to its own conduct or the conduct of its citizens toward other nations or their citizens. Of course, in early times.... the specific matters to which international law was applied were practically few, but as commercial dealings, travel and intercourse increased and will increase, the nearer the nations come to one another. The closer the world comes to the poet's dream of the "parliament of man, the federation of the world," the wider will be the scope of international law.[1]

[1] U. S. v. White, 27 Fed. 200 Brewer, J.

DISCUSSION PAR M. LE Dr. MAX LAZARD, Paris.

Les remarques que je désire faire portent essentiellement sur l'exposé que vient de nous faire le Professeur Chamberlain mais elles rejoindront, par moment tout au moins, dans ses lignes très générales, l'inspiration généreuse du Dr. Broda. ,

Le Prof. Chamberlain vient de nous donner une excellente leçon de droit international privé. Je regrette qu'il n'ait pas fait allusion à quelques développements plus récents dans ce domaine - développements qui sont précisément en relation avec la Société des Nations. Le Prof. Chamberlain semble avoir volontairement évité de parler de la Société des Nations - c'était peut-être pour partager le travail avec le Dr. Broda - mais la Société des Nations et ses institutions présentent beaucoup d'aspects et j'estime qu'on ne saurait se lasser de rechercher tout ce qu'elle a pu apporter de bon dans le monde, sans même attendre ce qu'elle apporterait par la suite si elle était transformée et j'avoue que je ne comprends pas très bien l'abstention assurément volontaire du Prof. Chamberlain.

Les faits auxquels je fais allusion sont: la remarquable activité depuis la guerre, des tribunaux arbitraux mixtes - l'institution de la Cour de Justice Internationale. Quand on est à Amsterdam il me semble naturel de penser à La Haye. Par ces diverses institutions la souveraineté des états sur leurs ressortissants, la protection que ceux-ci trouvaient traditionnellement dans leurs statuts personnels, ou, le cas échéant, dans le statut international applicable à la solution de leurs litiges, se trouvent modérées d'une façon que personne, il y a vingt ans, n'aurait considéré comme possible.

S'il y a dans la salle quelque juriste qui pourrait donner quelques indications sur ce sujet, je crois qu'il intéresserait énormément toute l'assemblée. Je n'insiste pas davantage sur cette première critique - en voici une seconde à laquelle j'attache plus d'importance. Elle a trait à la manière dont le Prof. Chamberlain a délimité son sujet.

Se proposant de parler des traités internationaux à portée économique, ou du contrôle international des relations économiques, il s'est attaché, me semble-t-il, à ne considérer ces relations que sous l'angle de l'individu et à passer à peu près complètement sous silence les conventions douanières. C'est ce type particulier

d'accords diplomatiques qui tend à régler non pas seulement le régime sous lequel tel ou tel acte individuel sera accompli et qui comporte un passage de frontière, mais aussi le régime applicable aux relations économiques collectives dans l'ensemble de l'industrie d'un pays.

Tous les pays désirent régler leurs tarifs douaniers respectifs, c'est un fait, mais du moment qu'on parlait de conventions traitant d'intérêts économiques, je regrette que M. Chamberlain n'ait pas développé la disparition des conventions douanières.

Ceci m'amène à la partie constructive des observations que je désire présenter et qui se rattache d'assez près à ce que vient de dire Mr. Broda.

Pourquoi ne fait-on pas de traité de commerce?

Pourquoi les tarifs douaniers opposent-ils des barrières presque insurmontables aux marchandises?

Pourquoi la division internationale du travail apparait-elle comme un rève irréalisable?

Pourquoi les individus sont-ils empêchés de circuler librement à la surface du globe?

Voilà la question à laquelle je vous demande de consacrer quelques instants d'attention et voici la réponse que cette question comporte:

C'est que dans le monde tel qu'il est actuellement organisé, les considérations politiques priment les considérations économiques, - d'où le corollaire suivant: c'est que pour étendre au monde entier les bienfaits de la rationalisation, c'est la physionomie politique du monde entier qui devrait d'abord être transformée, à l'encontre de ce qui pense la majorité des membres de ce congrès.

Pourquoi, à propos de tarifs douaniers, parlé-je de considérations politiques et non de considérations économiques? Ne sont-ce pas avant tout sur des considérations économiques que sont fondés les tarifs douaniers? Oui et non. Oui, à voir les choses de l'extérieur, non, à les voir dans leur structure intime.

A première vue, les tarifs douaniers sont destinés à protéger les intérêts économiques des individus en tant que producteurs. Ils sont destinés à protéger en bloc l'ensemble d'une industrie

donnée.

Je dis non, en ce qui concerne leur structure intime - en effet, je pense que l'objectif fondamental des institutions douanières n'est pas de servir les intérêts de telle ou telle catégorie de producteurs. Sous réserve de déviations, d'abus que nous connaissons tous, je soutiens que la protection des intérêts privés n'est pas le but dernier des tarifs douaniers, mais que c'est la protection, de la nation comme telle, considéré comme un organisme à qui il s'agit d'assurer un certain équilibre vital.

Voilà pourquoi je dis que la protection douanière est une institution de la vie politique plutôt que de la vie économique.

Je risque d'être mal compris par beaucoup de gens - en effet, aucune différence n'existe entre la société politique et la somme des individus appartenant à cette société. D'où suit, qu'aux yeux de ces personnes la vie politique ne peut être que l'activité déployée par chaque individu pour tirer des services collectifs mis à la disposition du public, le plus d'avantages personnels possibles.

Cette conception je la crois fausse au point de vue théorique et je la repousse d'autant plus vigoureusement qu'elle est susceptible de servir d'excuse aux pires abus et aux pires déviations de l'activité politique.

Les sociétés politiques sont autre chose que la somme de leurs ressortissants - ce sont des personnes morales ayant leur individualité propre, des personnes morales qui, loin d'émaner de la volonté individuelle, constituent un tout de dehors duquel aucune vie individuelle n'est concevable. Et le malheur à mes yeux, c'est qu'actuellement, sauf l'embryon de solidarité contenu dans le pacte de la S. D. N. les Etats se considèrent comme entièrement indépendants les uns des autres.

Cette proposition qui est un truisme - je remarque que le Prof. Chamberlain l'accepte comme une proposition évidente - est, si on peut dire, intangible. Il ne se place pas en dehors de cette hypothèse, - d'autres, désireux de renverser l'obstacle que la souveraineté des nations oppose au progrès humain, à mon avis ne calculent pas bien l'importance de l'obstacle, ne dégagent pas bien sa signification, n'aperçoivent pas bien ses fondements profonds, les raisons profondes de cet état de fait, de la volonté d'autarcie politique des nations et à cause de cela ne tirent pas

des plans satisfaisants pour progresser au-delà de cet obstacle. Pour moi, il suffit, pour voir que quelqu'un n'aperçoit pas ce qu'il y a d'important, de fondamental dans la formation des nations en tant que personnes morales: ce qui suffit à montrer cela, c'est lorsqu'on croit qu'on peut réaliser le désarmement économique avant le désarmement militaire, et le désarmement militaire avant le dèsarmement moral - c'est lorsqu'os croit qu'on peut réaliser désarmement moral autrement qué par le rapprochement en une seule entité politique de deux ou plusieurs entités politiques jusqu'alors distinctes.

Voilà ce que je tenais à dire à propos du rapport Chamberlain: les règlements diplomatiques qui tendent à faciliter les relations économiques collectives sont importantes, mais que dans la mesure où ces conventions respectent intégralement l'idéal de l'autarchie politique, il est vain de compter sur elles pour assurer l'ajustement rationnel de la production à la consommation. Inversement, si une convention douanière bi-latérale ou multilatérale est assez hardie pour fondre ensemble deux ou plusieurs économies nationales jusqu'alors séparées en une seule économie, ce n'est pas seulement d'un rapprochement économique qu'il s'agit, mais d'une unification.

Les deux corollaires que j'aperçois à cette thèse, c'est d'abord, que le libre échange universel est une utopie, il ne faut pas se laisser tromper par l'expérience anglaise au dix-neuvième siècle qui était essentiellement nationale.

Le deuxième corollaire est qu'il ne peut y avoir d'unité économique entre pays distincts que si ces pays ont de fortes affinités, ont conscience de leur parenté spirituelle.

Ces rapprochements sont-ils possibles à l'heure actuelle en un point quelconque du monde civilisé? Sont-ils possibles surtout là où ils paraissent le plus nécessaires, c'est à dire sous forme d'un rapprochement franco-allemand?

C'est à cela qué rêvait Briand lorsqu'il parlait de Fédération Européenne, un rêve qui dépasse de loin, il faut bien l'avouer, la formule des accords régionaux dans le cadre de la Société des Nations. Faire une petite S. D. N. au sein de la grande S. D. N.; ce n'est peut-être pas difficile, mais ce ne serait pas, à mon avis, très important, tandis que fédérer ensemble quel-

ques états membres de la S. D. N. serait une oeuvre d'immense portée, un phénomène organique des plus importants.

Est-il dans l'ordre des choses possibles? C'est la question que j'espère ne pas être seul à me poser. Pouvons-nous faire quelque chose pour hâter la venue de ce phénomène? C'est ce que je me demande. J'avoue que les signes ne sont pas favorables, cependant il ne faut peut-être pas désespérer; l'éventualité, si lointaine soit-elle, d'une nouvelle guerre civile entre Européens, est épouvantable. Si nous ne pouvons pas compter sur les intérêts économiques pour nous préserver de ce cataclysme, tous les gens de bonne volonté s'appliquent à envisager des relations internationales sous l'angle politique. La guerre me parait tellement affreuse, que je ne puis pas me passionner pour un „Social Economic Planning".

Les deux idées de guerre et de „World Economic Planning" ne sont pas tellement éloignées l'une de l'autre. Je dis au contraire, pas d'aménagement rationnel d'économie mondiale sans paix, mais j'ajoute, pas de paix sans intégration politique. Un vaste marché économique, comme celui qu'on conçoit et une vaste collectivité politique, c'est tout un. D'autre part, comme je le crois, on songe à une intégration politique universelle; à mon avis c'est une utopie. Mais si elle est impossible, je demande pourquoi nous ne nous rebattons pas sur une intégration politique partielle, et je pense que s'il y avait dans ce sens des voeux un peu ardents, non seulement d'un côté, mais de part et d'autre de certaines frontières, peut-être malgré tout ce miracle pourrait-il se produire.

DISKUSSION VON HERRN HANS MARS, Referent für Arbeitswissenschaft und Rationalisierungspolitik der Kammer für Arbeiter und Angestellte, Wien.

Herr Professor Chamberlain erwähnte in seinem Vortrag die Zuckerkonvention und die Nervengiftkonvention. Das sind zwei Beispiele, die die praktische Möglichkeit demonstrieren, dass man die Produktion und Verteilung von Produkten schon gegenwärtig international regeln kann. Derartige Verträge sind m.E. für kleine Volkswirtschaften von der allergrössten Bedeutung

Wir haben fünf grosse Wirtschaftsräume, die innerhalb ihrer

Grenzen in hohem Masse wirtschaftlich selbständig, d.h. autark sind: Es sind dies die Vereinigten Staaten, das britische Weltreich, Frankreich und seine Kolonien, Russland und vielleicht China.

Diese Länder sind so gross, dass sie für ihre eigenen Produkte einen genügend grossen Binnenmarkt haben, sodass Massen-Produktion und Massen-Konsumtion möglich sind. Wie Herr Filene überzeugend ausführte, ist Massen-Produktion und -Konsumtion die unerlässliche Voraussetzung für die Hebung des Lebensstandards aller Volksschichten.

Kleine Länder sind jedoch sehr unglücklich gestellt. Ich selbst komme von einem sehr kleinen Lande, das für die Produkte aller Industrien nur sehr geringen Bedarf hat. Fragt man sich, wie in einem solchen Lande das Ziel des Herrn Filene erreicht werden kann, dann gibt es nur eine Antwort: nur in der Weise wie es Holland, Belgien, Dänemark und Schweden erreicht haben. Diese Länder haben sich glücklicherweise schon vor dem Kriege auf bestimmte Wirtschaftszweige spezialisiert, deren Produkte auf dem Weltmarkte leicht abgesetzt werden konnten.

Der Weltkrieg hat eine Menge kleine Länder produziert, in denen die Verhältnisse ganz anders sind, z.B. im gegenwärtigen Oesterreich. Dieses hatte einst für ein ziemlich grosses Territorium, nämlich für Oesterreich-Ungarn so ziemlich alle Industrieprodukte herzustellen. Der ehemalige 56 Millionen-Staat erlaubte schon beträchtliche Massenproduktion und -Konsumtion. Derselbe Produktionsapparat blieb bestehen aber der grosse Absatzmarkt verschwand. Wir produzieren fast jeden Industrie-artikel, aber von jedem nur eine kleine Menge. Die Gestehungskosten steigen, die Kaufkraft der Bevölkerung nimmt mehr als proportional ab. Die Lebenshaltung der Massen bleibt weit hinter der der grossen Wirtschaftsräume zurück.

Die einzige Rettung der kleinen Länder besteht in der Spezialisierung der Produktion und freier Einfuhr der nicht produzierten Güter. Das ist nur möglich in einem universellen internationalen Abkommen. Für kleine Länder wie Oesterreich, die Tschecho-Slowakei, Ungarn, Bulgarien etc. muss man einen Plan entwerfen, nach dem sie verpflichtet werden, sich auf bestimmte Wirtschaftszweige zu spezialisieren und die anderen Zweige der

Wirtschaft langsam absterben zu lassen. Natürlich muss auch der Absatz für die Produkte international gesichert werden. Nur wenn diese Voraussetzung gegeben ist, hört das Problem der kleinen Staaten af. Dann sind sie wirtschaftlich genau so günstig gestellt wie die grossen Staaten; dann können sie in grossem Masse produzieren und absetzen und die Lebenshaltung der breiten Volksschichten kann erhöht werden, trotz den engen Landesgrenzen. Die haben dann nichts mehr zu sagen.

Ich halte ein solches universelles internationales Abkommen in der jetzigen Wirtschafts-Ordnung für unmöglich und zwar vornehmlich wegen der politischen Umstände und Beschränkungen, von denen Herr Prof. Lazard in so eloquenter Weise gesprochen hat. Hoffentlich ändern sich aber bald die Verhältnisse zugunsten solcher Verträge, bevor die Lebenshaltung in den kleinen Staaten trotz dem technischen Fortschritte noch weiter sinkt.

DÉTERMINATION INTERNATIONALE DES NORMES DU TRAVAIL

PAR M. ALBERT THOMAS, DIRECTEUR DU BUREAU INTERNATIONAL DU TRAVAIL, GENÈVE.

Vous avez sans doute entendu ici un certain nombre de communications très étudiées, avec des chiffres, avec des raisonnements ordonnés, avec des réponses faites d'avance aux objections possibles, et je ne vous apporterai guère que des impressions, des sentiments, entretenus il est vrai depuis déjà des mois ou des années par le contact quotidien avec les difficultés de la vie sociale, mais qui n'auront pas, hélas! la précision scientifique que vous souhaitez dans des échanges de vues comme ceux-ci.

Cependant j'ai cru qu'il serait possible d'exposer ici quelques-unes des raisons pour lesquelles même un homme comme moi, qui est mêlé au jour le jour par ses fonctions, aux mouvements de l'opinion publique, aux aspirations du monde ouvrier, peut avoir un intérêt passionné pour l'oeuvre de recherches que vous avez institutée. Très simplement, je vous dirai les pensées qui m'agitent.

Voici déjà quelque onze années qu'il existe une Organisation Internationale du Travail, qui poursuit une tâche précise: essayer de maintenir, de relever les conditions de travail et de vie dans tous les pays du monde. Le préambule de la partie XIII du Traité de Paix nous a fixé notre tâche. Il dit que les Etats liés par le Traité s'engagent à maintenir, à assurer, ou à créer des conditions équitables de travail, et il cite dans une sorte de programme les réformes indispensables, celles dont la non-réalisation risquerait de mettre en danger l'harmonie universelle et exposerait le monde à des troubles sans cesse renaissants.

Peut-être quelques-uns d'entre vous ont-ils analysé philosophiquement ce que représente cette énumération. A la fin de la guerre, après tout le mouvement social du dix-neuvième siècle, les Etats contractants ont pris, pour ainsi dire, la commune mesure, qui semblait universellement acceptable. Ce n'est pas un programme socialiste. Les questions de distribution des biens, des propriétés, n'y sont pas posées comme dans des programmes socialistes. Mais on y trouve la définition d'un certain nombre de conditions, qui semblent répondre aux sentiments de justice et d'humanité, tels qu'on pouvait les concevoir en 1919. C'est

sur cette base qu'une sorte de compromis, de plan commun, a été établi.

Puis une fois ce programme déterminé, on a dit, il faut qu'il ait un caractère universel. Les travailleurs de tous pays, en dépit des difficultés qui peuvent se présenter, doivent être acheminés vers ce niveau plus élevé de vie et de travail. L'Organisation Internationale du Travail a été appelée à se mettre à l'oeuvre, et depuis onze ans, elle a travaillé. Par toute une série de conventions et de recommandations sur lesquelles je ne reviens pas, elle a tenté de faire du programme indiqué une réalité. Elle a, au milieu de toutes les difficultés, obtenu l'adhésion des Etats à un certain nombre de réformes définies par les Conférences. Et tant par son effort propre (je n'ai en aucune manière l'idée que c'est l'Organisation Internationale du Travail qui a tout fait) que par le mouvement d'ensemble qu'elle essayait de grouper, de coordonner, d'universaliser, nous sommes en droit de dire que depuis dix ans, dans les Etats qui ont contracté l'engagement de la partie XIII du Traité de Paix, un progrès considérable a été accompli. Je n'ai pas l'intention de vous donner des chiffres ici. Je fais appel simplement aux impressions de ceux qui ont connu de nombreuses régions industrielles de l'Europe après et avant la guerre.

Si je prends un exemple tout proche d'ici, celui de la Belgique et du Nord de la France, c'est à dire de pays où, avant la guerre, les journées de travail étaient longues, les salaires bas et les conditions de vie médiocres, il est indéniable que les ouvriers français ou belges sont à l'heure actuelle dans une situation de travail et de vie très nettement supérieure à ce qui existait en 1914.

J'ajoute qu'un certain nombre de réformes, comme l'interdiction du travail de nuit des femmes, la protection des enfants, la fixation à 14 ans de l'âge minimum d'admission au travail, ont été des résultats tangibles et certains obtenus depuis cette époque.

Donc, par l'intermédiaire de cette Organisation du Travail et par son action sur les législations nationales, une élévation des standards de vie et de travail a été réalisée, le monde a atteint à une civilisation industrielle et ouvrière plus haute, et telle

qu'on n'en imaginait pas auparavant. Mais cette civilisation nouvelle ne va-t-elle pas se trouver menacée dans son existence même avant d'avoir pu porter tous ses fruits?

Nous sommes en ce moment dans une période particulièrement dure et que je considère pour ma part comme quasi tragique.

Depuis la fin de 1929 des fissures se sont fait jour dans l'économie mondiale, provoquant une crise qui est à l'origine même de vos travaux - crise dont on a cherché à définir les caractères - conjugaison, a-t-on dit, (et je le dis moi-même) d'une crise cyclique et d'une crise endémique.

Il y a longtemps que, si les règles accoutumées étaient suivies, si les lois naturelles s'appliquaient, la crise cyclique devrait être plus ou moins résorbée. Or, la crise dure, avec une ampleur singulière, inouïe, même. La chute des prix des matières premières et d'un grand nombre de produits a atteint des poportions qui n'avaient jamais été constatées dans les mouvements antérieurs. Pour beaucoup de produits on peut parler de 40 % de diminution. Le nombre des chômeurs atteint 20 millions - et c'est certainement là un chiffre minimum. Au jour le jour, anxieusement, nous cherchons à savoir si quelque amélioration n'apparaît pas. Et nous nous apercevons que l'amélioration saisonnière a été beaucoup plus courte qu'elle ne l'avait été les autres années, que dans beaucoup de pays elle n'a même pas suffi à apporter une atténuation passagère à la crise. A l'heure actuelle, en Amérique, les dernières déclarations - on manque de statistiques sur ce point - indiquent qu'on attend presque une recrudescence du chômage pour les mois qui viennent. En Allemagne, où j'étais ces jours-ci, les moins pessimistes pensent qu'il y aura pendant l'hiver, presque certainement 6 millions de chômeurs, et des gens qui sont occupés au jour le jour à la statistique du chômage déclarent que ce chiffre est modeste et que si on atteignait 8 millions, ils ne seraient pas surpris.

Or, au milieu de cette crise, toutes les institutions de politique sociale se sont trouvées plus au moins atteintes. Tout ce progrès dont je parlais tout à l'heure est, ou déjà arrêté - parfois même en recul - ou, au moins, partout compromis.

En faisant notre examen annuel dans le Rapport du Directeur à la Conférence Internationale du Travail de cette année, j'ai

indiqué comment, non seulement le travail de ratification des conventions se trouvait ralenti, comment les Etats déclaraient qu'il leur était impossible à l'heure actuelle de songer aux réformes sociales (ils ne sont absorbés que par des problèmes financiers ou économiques) comment les institutions d'assurance elles-mêmes étaient en danger.

J'entends du côté des caisses d'assurance-maladie des cris d'inquiétude, des appels qui retentissent de toutes parts - on en aura l'écho ces jours-ci à Prague lorsque leur Congrès International se réunira. Quant à l'assurance-chômage, les journaux sont pleins de critiques adressées tous les jours aux services compétents et elle est en voie de régression plutôt que de développement.

Voilà la situation matérielle. - De tous côtés les diminutions de salaire s'annoncent, se réalisent. - Il y a recul même pour les contrats collectifs.

Et c'est ainsi qu'au milieu de la crise mondiale, la politique sociale toute entière se trouve plus ou moins ébranlée. Je dirai même qu'à la différence des crises précédentes, il y a quelque chose de plus grave. C'est que de bien des côtés on remet en cause le principe même de cette politique sociale. On met en doute la possibilité de la maintenir. Bien plus, on l'accuse d'être, pour une part, cause du mal.

Je notais tout à l'heure que l'on voyait se développer dans certains pays, des critiques nombreuses contre l'assurance-chômage et même contre la pratique des contrats collectifs. C'est le cas, par exemple, en Allemagne. Le raisonnement que l'on emploie, vous le connaissez. Pour pouvoir sortir de la crise, dit-on, il faut suivre le mouvement des prix - il faut que les salaires soient adaptés aux prix. Lorsque les salaires auront été ainsi adaptés, lorsque tous les prix de revient auront été ainsi établis à un niveau tel que la production puisse renaître par une sorte de résurrection de la confiance et d'appel des consommateurs, alors, selon une loi que l'on décrète „loi naturelle", il y aura possibilité de rénover l'économie.

La „loi naturelle" est-elle vraie? Il reste à le démontrer. Mais ce que je sais bien, c'est que si cette loi naturelle est inévitable, c'est contre elle que se dresse en quelque manière toute la poli-

tique sociale.

Que disions- nous depuis 20 ans, depuis 30 ans, depuis que nous sommes dans le mouvement de la politique sociale et de l'effort pour relever les conditions de travail et de vie? Nous disions qu'il faut chercher les moyens et les institutions permettant de faire précisément en sorte que les ouvriers, pendant les périodes de crise, ne subissent pas les misères que l'on déclarait inéluctables.

S'il y avait une assurance-chômage, c'était, non seulement pour empêcher les ouvriers en chômage de mourir de faim, mais aussi pour empêcher qu'en s'offrant à n'importe quel tarif sur le marché du travail, ils ne fassent baisser les salaires. Si nous avons lutté pour l'assurance-chômage c'était pour prévenir cet avilissement des conditions de travail qu'entraînerait la concurrence de ceux qui sont sans emploi et de ceux qui sont occupés. S'il y avait des contrats collectifs, c'était pour prévenir et assurer l'ouvrier contre les abus des contrats individuels. Et aujourd'hui on nous dit: C'est vous qui êtes cause du mal - c'est parce que l'élasticité des salaires a été compromise par vos institutions que la crise tarde à se résorber. Il faut revenir à la „loi naturelle". On ne dit pas suppression - mais réduction - intense de l'assurance-chômage de façon que l'élasticité des salaires se trouve rétablie et on dit même aujourd'hui: „retour au contrat individuel de travail". Les contrats collectifs eux-mêmes sont devenus dangereux, ou tout au moins on reprend la formule (je l'entendais encore ces jours-ci en Allemagne) „Il faudra les rendre plus élastiques".

C'est ainsi que nous nous trouvons en présence, en tous pays, d'une sorte de réaction contre tout l'effort de politique sociale, une sorte de dénonciation de la politique sociale, qui avait pu être suivie depuis quelque temps.

Eh bien! c'est tout de même une chose assez singulière que les mouvements incertains des opinions publiques, et même des pensées gouvernementales! Lorsqu'il y a quelques mois - quelques semaines même à peine - je rédigeais mon Rapport à la Conférence Internationale du Travail, je le terminais par un petit chapitre intitulé: „Pensées nouvelles" et dans lequel j'avais recueilli toutes les manifestations de pensées - celles de toutes les

confessions religieuses, catholiques, protestantes, celles de divers mouvements politiques, syndicaux, socialistes, communistes même, celles des hommes d'affaires, tout particulièrement des hommes d'affaires américains - disant que dans la situation actuelle il était impossible de continuer, que malgré le caractère catastrophique de la crise, c'était l'économie capitaliste toute entière qui devait être rénovée, qu'il fallait cesser de vivre dans l'état de concurrence et d'anarchie où le monde se trouve et qu'il fallait en venir à l'économie organisée.

J'ajoute aujourd'hui que votre programme même me paraît symptomatique de toutes ces préoccupations nouvelles. Vous étiez une institution pour les relations industrielles, pour le développement du facteur humain dans l'industrie, et en présence de la crise vous vous êtes dit: „Que sont tous ces efforts de relations humaines dans l'industrie, entreprise par entreprise, si l'instabilité du travail est telle, que l'humanité que nous pouvons introduire doit aboutir à ce mal horrible qu'est le chômage?" Pour sauver l'esprit même de votre institution, pour suivre votre effort, vous vous êtes dit cette année: „Il faut que nous cherchions dans l'organisation économique les moyens de sauver ce qui est notre raison d'être." Partout ailleurs le mouvement a été le même.

Après mon rapport, et à la veille même de la Conférence Internationale du Travail, il y a eu une manifestation intellectuelle que, pour ma part, je considère comme formidable: je veux parler de la dernière encyclique pontificale, qui peut-être ne se lance pas aussi hardiment que nous dans les voies de l'économie organisée, mais qui, au point de vue de la critique du monde actuel et de ses méthodes, est sans doute un des documents les plus vigoureux et les plus hardis que l'on puisse signaler.

C'est ainsi, qu'au moment où la Conférence Internationale du Travail s'est réunie, il y avait, pour maintenir la politique sociale, pour lui donner une base solide, une sorte d'unanimité d'opinion qui entraînait le monde vers un effort d'organisation économique, sub stratum de cette politique sociale.

Quelques semaines à peine ont passé. Crise allemande, crise anglaise, crises, peut-être, un jour, dans d'autres pays! Tâchons d'analyser la situation.

Dans le monde ouvrier, une résistance, les organisations professionnelles syndicales exerçant leur pression sur l'organisation politique pour faire pendre certaines décisions de défense.

En Allemagne quand le cabinet Muller est tombé, il y a eu tantôt un an. c'est sous la pression des syndicats qui ont dit au parti socialiste: „Impossible de rester dans un gouvernement qui atteindra et l'assurance-chômage et les salaires!" Car déjà, c'était sur la question de l'assurance-chômage que la décision politique devait être prise en Allemagne.

Ces jours-ci en Grande-Breagne - (je m'excuse de parler de ces choses, mais elles sont au centre même de mon sujet, c'est au jour le jour, au milieu de toutes ces difficultés que je vis.) résistance du Trade-Union Congress, coupure en quelque manière du Labour-Party. Sur cette question, la masse des ouvriers demandait que les garanties de politique sociale qui lui ont été assurées depuis quelques années fussent maintenues. Et en assurées depuis quelques années fussent maintenues. Et en face, alors, en dépit de toutes ces manifestations des jours passés, la pression presque unanime de l'opinion publique, le groupement de tous les partis tandis que l'hésitation était au sein même des partis politiques de la classe ouvrière. Pourquoi? parce que la pensée générale, c'est encore - je dirai, non pas par pression des banquiers ou des patrons industriels, mais par l'espèce de routine de l'opinion publique - c'est encore que la politique sociale, présentée comme onéreuse, ne peut être soutenue à l'heure actuelle et que. devant le jeu irrésistible des forces économiques, on doit s'incliner. Oui. il faut le reconnaître, l'opinion „moyenne", par inertie, par crainte de l'innovation, est hostile généralement à la politique sociale, qu'elle croit coûteuse et pleine de risques. Aussi ne manque-t-on pas de proposer de sacrifier les réformes sous prétexte de rendre confiance à ceux qui apportent l'argent, aux souscripteurs possibles.

A mon avis, c'est là précisément le drame au milieu duquel s'ouvre votre congrès. Ce qu'il y a de plus terrible à l'heure actuelle. c'est cette incertitude de pensée. cette hésitation de

l'opinion publique, cette constante pression extérieure qui sont le résultat des routines anciennes et des prétendues vérités scientifiques qui accablent aujourd'hui la politique sociale instituée depuis déjà quelque trente ans.

Le problème qui se pose devant une Assemblée comme celle-ci et devant le monde tout entier est de savoir quelle est l'attitude décidée, la position de principe de raison et de volonté, qu'il est indispensable de prendre. Est-ce que les tenants de la politique sociale, est-ce que les hommes, patrons, industriels, économistes, légistes, hommes d'opinion, hommes de la rue, qui ont cru pouvoir lutter pour cette tâche s'inclineront devant ce qu'on appelle les „lois naturelles"?

Diront-ils qu'il y a lieu de renoncer à ce qui est l'aspiration commune de l'humanité, depuis déjà plus d'un demi siècle? Voilà, Monsieur le Président, quelle est la question. Maintenant quelle peut être la réponse?

Je n'en connais qu'une. Je me rattache à la vieille tradition de ceux qui depuis des siècles réfléchissent sur les raisons de la société. Les vieux philosophes du dix-huitième siècle disaient unanimement que le but de la société était le bonheur commun. Tous ceux qui, au cours du dix-neuvième siècle, se sont trouvés placés en présence des premières misères de l'industrialisme ont pensé que l'organisation de la société et de l'industrie devait tendre aussi au bonheur commun, au relèvement des conditions de travail et de vie. Si utopique, si paradoxale, si folle que puisse paraître cette attitude, je dis qu'il n'y aura pas de repos, de stabilité et de progrès dans le monde, si nous n'avons pas le courage d'affirmer dans une période, comme celle-ci que la politique sociale doit être sauvée, que ses institutions ne peuvent être atteintes et que, si elles le sont, on court à une catastrophe, à un bouleversement profond de toute la société.

On me dira: „Les lois naturelles ne vous ont-elles pas été rappelées? N'est-il pas établi que les salaires doivent être mis en harmonie avec les prix?" Je ne peux pas me résigner à la pensée de considérer l'élasticité des salaires comme acceptable sans autre. Evidemment, il y a le salaire envisagé comme élément du prix de revient, mais il y a aussi le

fait que les salaires représentent pour chaque ouvrier et sa famille, la possibilité de vie. Et je demande ici: „Est-ce que les hommes du vingtième siècle sont prêts à admettre une fois de plus la possibilité de l' „Armée de réserve industrielle" dont parlait Karl Marx, à imaginer une fois de plus tout le cortège de misères qui a régné sur le monde pendant tout le début du dix-neuvième siècle et de l'industrialisme? „Et puis enfin, j'y reviens, il y a eu l'engagement solonnel de tous les gouvernements lorsqu'ils ont souscrit à la partie XIII du Traité de Paix, lorsqu'ils ont créé une Organisation qui avait précisément pour objet de réaliser des réformes, sans penser que cela constituerait un élément de bouleversement plus profond. Et je me permets de demander encore une fois si les „lois naturelles" sont bien vérifiées. Rappellerai-je qu'en 1919, lorsqu'on prenait le programme moyen de compromis, c'est que l'on pensait qu'il était réalisable avec les forces économiques dont on disposait alors. A aucun moment de la discussion, aux négociations de Paris et de Versailles ou à la Conférence de Washington, on n'a introduit la considération des possibilités économiques, et depuis lors, les forces de production du monde se sont infinement développées. Ne déclare-t-on pas couramment qu'elles sont à l'heure actuelle trop considérables pour les capacités de consommation? Et c'est le moment où l'on viendra nous dire qu'il est impossible de trouver les moyens économiques pour réaliser ces conditions de travail ou de vie?

Je ne veux pas faire ici la critique des thèses scientifiques qui insistent sur la nécessité de l'élasticité du salaire. Je veux simplement faire remarquer que depuis déjà des années on avait considéré qu'il était possible de trouver dans les conditions économiques actuelles les moyens de réaliser la politique sociale dont nous parlons.

Depuis onze ans qu'existe l'Organisation Internationale du Travail, j'ai entendu chaque année répéter que les charges sociales étaient telles que l'on ne pourrait les supporter, ou que telles nouvelles réformes, ou même telle consolidation internationale de réformes existantes ne pourraient aboutir. J'attends

encore depuis onze ans des preuves que des faillites industrielles aient été, dans un pays quelconque, causées par la politique sociale.

J'ai entendu discuter indéfiniment sur la lourdeur comparée des charges sociales; j'ai vu apporter dans les Conférences, presqu'à chaque session, toute une série de déclarations sur l'impossibilité de supporter l'édifice social. J'attends encore qu'on me montre la ruine d'industries, la fermeture d'usines causées par les charges sociales imposées. J'e n'en ai pas vu.

Cela dit, on me fera peut-être encore l'objection qu'il peut y avoir tout de même des pays, des sociétés où les ressources économiques, les valeurs productives ne sont pas suffisantes pour rendre possible la pratique d'une large politique sociale. C'est entendu, je considère qu'il faut tâcher d'avoir la politique sociale d'une certaine économie. S'il s'agissait de rendre tout le monde millionnaire, évidemment je ne sais pas où on pourrait trouver les ressources. Mais, franchement, pour la réalisation des standards de travail et de vie, qui, d'un commun accord ont été établis, et qui, issus de transactions, sont si modestes, si peu révolutionnaires, est-il vrai que la société présente soit dénuée de moyens?

Je me permettrai de dire autre chose qui rejoindra peut-être vos préoccupations d'investigation et de recherches. Admettons que pour le programme déterminé dont nous parlons, celui de 1919, à défaut d'autres plus audacieux, les ressources communes ne soient pas suffisantes, que les moyens de production, que les matières premières, ne permettent pas d'y satisfaire. Il y a une chose qui m'apparaît indispensable pour la stabilité même de la société, peut-être, ultérieurement, pour une réforme, c'est que l'on voie clair, c'est qu'à défaut de l'économie organisée, dirigée, contrôlée, il y ait, ce que je me permettrai d'appeler l'économie consciente, - c'est que l'on fasse l'inventaire des besoins, celui des formes productives qui existent dans chacun des pays, et même internationalement, le premier effort de conscience indispensable, pour que dans le désordre ou l'obscurité commune, quelque classe ou catégorie de la société ne

semble pas injustement oubliée.

Ce premier effort entre l'économique et le social, je crois qu'il devrait être tenté immédiatement. Et je ne pense pas que, soit industrie par industrie, soit nationalement ou internationalement, nos institutions de Genève ou d'ailleurs puissent commencer un travail quelconque sans cette investigation préalable. Et voilà pourquoi, même si nous devions nous en tenir pour le moment à ce premier stade, j'estime indispensable pour notre société présente de dire: „En depit de tout, en dépit de la crise qui continue de sévir, en dépit des incidents politiques graves qui remuent la conscience des peuples, le premier devoir, la première règle d'organisation sociale est de maintenir les standards, les conditions de travail et de vie qui semblaient pouvoir être atteintes à l'heure actuelle par les Etats civilisés."

J'ai suivi de loin vos rapports et j'ai été particulièrement frappé par celui de M. Lorwin disant que pour l'Economic Planning il s'agissait de savoir ce que l'on cherchait, ce que l'on voulait, pourquoi on voulait l'organiser systématiquement.

Je pense que le but - consacré en quelque sorte officiellement - c'est celui qui a été formulé dans ce qu'on a appelé la „Charte Internationale du Travail", indiquant que ce serait la faillite de la société présente si elle déclarait impossible de souscrire aux standards indiqués.

Je me permets même de remarquer que dans le passé, il semblait qu'il y eût un accord établi pour penser qu'une fois les standards établis, une fois la Charte Internationale du Travail proclamée, cette proclamation et la pratique de la politique générale devaient aider l'industrie à se régulariser, qu'elles devaient en quelque manière en constituer le volant.

Lorsqu'on a dit „Journée de 8 heures" en 1919, il y avait un certain nombre d'industries qui semblaient ne pouvoir supporter un effort de cette nature - elles le déclaraient tout au moins. Elles se sont transformés, elles ont perfectionné leur machinisme, elles ont régularisé, rationalisé, pour atteindre ce but.

L'année dernière même, ou cette année, nous avons établi une règle assez minime, qui ne constitue pas en soi un progrès considérable mais qui a l'avantage de fixer un idéal qu'aucun Etat

ne peut éviter » je veux parler de la Convention sur la durée du travail dans les mines. Elle a été votée. Mais, tout de suite, il a été déclaré que, pour une application régulière, une pratique constante, et en vue d'obtenir des progrès nouveaux, il importait d'avoir une organisation de la production et du marché du charbon, en rapport avec la règle adoptée de la journée de travail de 7 heures ¾. Des négociations se sont ouvertes entre producteurs en vue de conclure des ententes économiques et de mettre de l'ordre dans cette industrie essentielle depuis longtemps atteinte par la crise de sous-consommation. On retrouve donc ici la méthode qui consiste à chercher à organiser les forces économiques en vue du maintien de certaines conditions sociales.

En 1927, à la Conférence Economique internationale, c'était sur les mêmes principes que les patrons se déclaraient d'accord lorsqu'ils marquaient que la rationalisation était en harmonie avec des salaires plus hauts, une journée de travail plus courte, et, en définitive une organisation sociale de l'industrie en accord avec les nouveaux progrès techniques.

C'est pour ces raisons que malgré ce qui peut sembler parfois intransigeant dans notre attitude, je ne puis que dire à l'heure actuelle: Il y aura risque de bouleversement dans la monde, il y aura impossibilité de poursuivre les plans d'organisation économique, si l'on n'a pas à la base et à l'origine, l'idée de maintenir les conditions de travail et de vie équitables et consacrées par les traités. Il n'y aura pas d' „Economic Planning", pas d'organisation possible, s'il n'y a pas chez nous, pour la réalisation de cet idéal, un peu de l'énergie, de la jeunesse active que l'on trouve chez des hommes de cette nation avec laquelle je suis souvent en plein désaccord - je veux parler de l'U. R. S. S., s'il n'y a pas chez nous la même foi, le même enthousiasme pour un idéal et des idées élevées.

Je le dis ici comme je l'ai dit parfois dans nos conférences, ce que je regrette, c'est qu'à l'heure actuelle, dans l'opinion publique, surtout dans les masses ouvrières organisées, il n'y ait pas cet attachement irréductible à ce qui a été considéré comme la Charte commune, équitable et humaine de 1919. Ce qui manque à l'heure actuelle, au milieu de la crise, ce n'est

pas tant la confiance en l'avenir ou les idées spéculatives, c'est la foi profonde dans la nécessité de la justice, c'est la conviction, intérieurement vivifiante, - que votre congrès peut aider à raffermir, à recréer dans l'opinion publique, - de la nécessité de cette organisation économique qui fait l'objet de votre congrès, pour réaliser les buts d'humanité et de justice qui nous ont été légués. Si vous réussissez à ranimer cet esprit, vous nous aurez rendu un grand service et votre congrès prendra date dans l'histoire de l'évolution humaine.

DIE WIRTSCHAFTSPOLITIK DER INTERNATIONALEN ARBEITERBEWEGUNG

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Ich spreche zu Ihnen von den Auffassungen, die in der modernen sozialistischen freigewerkschaftlichen Arbeiterbewegung über die Frage der Neugestaltung der Wirtschaft herrschen. Dabei muss man ganz klar als Ausgangspunkt nehmen, dass die moderne Arbeiterbewegung ausgeht von der Interessenlage der Arbeiterschaft, des Proletariats in der modernen kapitalistischen Gesellschaft.

Es ist nicht eine Sache von heute und gestern, dass in dieser kapitalistischen Gesellschaft die Lage der Arbeiterschaft unerträglich ist und dass deshalb die Arbeiterschaft im stärksten Widerspruch zu diesem System stehen muss. Aus ihrem Lebensinteresse heraus musste sie und hat sie den Kampf aufgenommen gegen jeden Druck, der auf ihre Lage von dem Wirtschaftssystem ausgeht. Dass dieser Kampf in sozial-politischer Beziehung nicht ohne Erfolge war und wie die Arbeiterschaft gerade jetzt in der schwierigen Lage steht, diese Erfolge zu verteidigen, haben wir soeben aus berufenem Munde gehört.

Ich will deshalb auf die prinzipielle Bedeutung, die die Idee einer organisierten Wirtschaft, einer unkapitalistischen Wirtschaft, einer planmässigen Wirtschaft, auf die Entwicklung der Sozialpolitik hat, hier nicht näher eingehen. Ich möchte nur sagen, dass der Gedanke, dass die wirtschaftliche Freiheit glücklich macht, dass jeder Mensch nur seinen Interessen nachzugehen braucht und dann schon jene viel gerühmte Harmonie der Kräfte herauskommen wird, mit der Entwicklung der modernen Sozial-Politik schon längst verlassen wurde. Mit Recht hat seinerzeit Karl Marx, als er von dem ersten Arbeitszeitgesetz in England - von dem Zehnstundengesetz - sprach gesagt, dass dieses Gesetz ein Sieg der Oekonomie der Arbeiterklasse über die Oekonomie der Bourgeoisie war. Er hat mit vollem Recht erkannt, dass man hier eine wichtige Position des Arbeiters nicht mehr ganz dem freien Spiel der Kräfte überlässt, sondern dass man anerkannt hat, dass regelnd in den Prozess des freien Spieles dieser Kräfte eingegriffen werden muss.

Das Neue, das wir sehen ist, dass der Unglaube gegenüber dem kapitalistischen System immer weiter um sich greift und auch Schichten erfasst, deren soziale Lage sie gar nicht ohne weiteres zum Standpunkt der Arbeiter hinführt. Es ist die Charakteristik dieses Kongresses, dass die Anklagen gegen den Kapitalismus nicht nur ausgehen von den Vertretern der Arbeiterschaft, sondern auch von Menschen, die ihrer sozialen Lage nach sich persönlich ganz gut mit dem Kapitalismus abfinden können. Der Glaube, dass das System, dessen Nutzniesser grosse Kreise des Bürgertums sind, das beste und notwendige System ist, ist im Schwinden. Es war mir ein Vergnügen hier zu hören, dass es nur sehr wenige Verteidiger dieses Systems gegeben hat. Gewiss, gestern Vormittag haben wir einiges gehört das darauf eingestellt war, dass man eigentlich nur ein paar Hemmungen zu beseitigen brauche, und es dann schon wieder klappen würde. Aber ich habe das Gefühl gehabt in der Diskussion, dass man diese Botschaft gehört hat, aber dass der Glaube gefehlt hat. Der Glaube, dass man nur die Wiederherstellung der liberalen Kräfte brauche um die Welt gut und schön zu machen und von sozialem Unheil zu befreien, ist glaube ich im Sterben.

Nun könnte man vom Standpunkt der Arbeiterschaft, vom Sozialismus aus sagen: „Herrlich, so geht es voran! Jetzt fangen schon alle Leute an, die früher nicht zu uns gehörten. Jetzt fangen auch die Millionäre an, Sozialisten zu werden. Herrlich, bald wird es völlig geschafft werden!" Die Situation ist aber ganz anders. Man hat den Glauben verloren an das Bestehende, aber man hat weder klare Vorstellungen von dem was werden soll, noch den Willen von Grund aus die Neugestaltung aufzubauen.

Nach meiner Meinung ist der Prozess der Umgestaltung eines Wirtschaftssystems nicht zu vergleichen mit dem Prozess einer politischen Revolution. Man konnte an einem Tage eine politische Revolution durch eine Erklärung der Menschenrechte kulminieren lassen oder von der Monarchie zur Republik übergehen. Aber man kann nicht in der gleichen Weise durch einen deklaratorischen Akt ein Wirtschaftssystem durch ein anderes ersetzen. Ich glaube nicht, dass man durch eine Gesetzgebung mit einem Schlage eine planmässige oder sozialistische Wirt-

schaft verwirklichen kann. Wenn nicht durch eine schrittweise Entwicklung die Vorbedingungen geschaffen sind, würde ein solcher Sprung in den modernen industriellen Verhältnissen die Gefahr der Zerstörung der Wirtschaft in sich bergen und er würde nicht mit der Aufrechterhaltung und Erhöhung des Lebensstandards sondern mit der Verelendung breiter Massen verbunden sein. Das Werden eines neuen Wirtschaftssystems wird in der Zukunft, ebenso wie es in der Vergangenheit war, ein Prozess des Hineintreibens neuer Formen in die bestehende Wirtschaft sein bis schliesslich das Kind grösser wird als die Mutter und das neue System das herrschende geworden ist.
So ist die kapitalistische Gesellschaft selbst entstanden. In der vorkapitalistischen handwerklich-feudalen Zeit ist nicht eines Tages ein Gesetzgeber gekommen, der gesagt hat: „Von morgen an machen wir Kapitalismus!" Nein, der Kapitalismus ist in das vorangehende System an vielen Stellen in verschiedenen Formen hineingewachsen, der Gesetzgeber hat dabei wichtige Mithilfe geleistet (durch Gewerbefreiheit u.s.w.) und schliesslich ist man aufgewacht und hat gesehen was los war. So haben vielerlei Anfänge kapitalistischer Art, die an den verschiedensten Stellen in die vorkapitalistische handwerklich-feudale Welt hineingebaut wurden, schliesslich zur Herrschaft des Kapitalismus in der Welt geführt.
Ich glaube, dass die Verwirklichung des kommenden Wirtschafts-Systems, wenigstens in den meisten Teilen der Welt, in ähnlicher Weise vor sich gehen wird. Es gibt bereits jetzt im kapitalistischen Wirtschafts-System fremde Elemente, Oasen, die nicht mehr rein kapitalistisch sind, sondern in denen man versucht unter anderen als rein kapitalistischen Gesichtspunkten zu wirtschaften. Es gibt Gebiete, die nicht nach den Interessen des Kapitalismus, sondern gemeinwirtschaftlich aufgebaut sind.

Wie verhält sich nun unsere Vorstellung von der werdenden und zu erkämpfenden sozialistischen Wirtschaft zu der allgemeinen Formel von der planmässigen Wirtschaftsführung, die auf diesem Kongress zur Erörterung gestellt worden ist? Es
546 ist schon gestern in der Debatte hier gesagt worden, dass die

Grundlage der teilweise erzielten Verständigung über planmässige Wirtschaft darin liegt, dass jeder etwas anderes darunter versteht und dass jeder mit seiner Auffassung ganz einig sei. Die Hauptsache vom sozialistischen Standpunkt ist nicht, dass irgend ein Plan der Wirtschaft oder einem Gebiet des Wirtschaftens zu Grunde liegt - das ist sehr oft der Fall - sondern dass die Zielsetzung des Planes eine gemeinwirtschaftliche ist, und nicht eine kapitalistische, die den Sonderinteressen einzelner Gruppen und Klassen der Gesellschaft dient.

Wir müssen mit aller Deutlichkeit aussprechen, es kommt nicht nur darauf an, dass man irgendwo einen Plan macht, sei es innerhalb ganz grosser Einzelunternehmungen oder für bestimmte Gruppen von Unternehmungen, sondern es kommt darauf an, dass planwirtschaftlich gearbeitet wird unter gemeinwirtschaftlicher Zielsetzung. Heisst das einfach Verstaatlichung? Ich glaube es nicht. Ich glaube, dass die wirtschaftliche Wirklichkeit viel zu bunt ist, als dass man die Gestaltung eines neuen Wirtschaftssystems an diese eine Form binden könnte. Ich glaube, dass der Staat bei der Durchsetzung einer gemeinwirtschaftlichen Wirtschaftsgestaltung eine sehr grosse Aufgabe zu erfüllen hat. In wieweit er diese erfüllen kann und erfüllen wird, hängt wiederum vom dem Charakter dieses Staates ab. Staat und Staat ist nicht dasselbe, und es kommt darauf an in wieweit der Staat von dem demokratischen Geist erfüllt und von den demokratischen Kräften beherrscht wird, wieweit er die Möglichkeiten hat, die Entwicklung zur planmässigen Wirtschaft zu unterstützen oder in wieweit er es als seine Aufgabe betrachtet, gerade diese Entwicklung nach Möglichkeit zu hemmen.

Also, der Staat ist Instrument, nicht Inhalt. Gewisse Teile der Wirtschaft werden einer planmässigen Führung, wie ich glaube, am besten unterworfen werden durch Verstaatlichung: Verkehrswesen, Kraftversorgung. Andere Teile der Wirtschaft werden ihrem chaotischen, kapitalistischen Charakter wahrscheinlich dadurch am besten entkleidet werden, dass andere Organisationen lokaler Art - die Gemeinden - die Wirtschaft übernehmen. Wieder andere Teile der Wirtschaft werden

in die gemeinwirtschaftliche Führung z.B. durch die Organisationen der Konsumenten eingefügt werden können. Endlich gibt es Zweige, die sich heute kapitalistisch organisieren, indem sie kapitalistische Monopole herausbilden und bei denen wahrscheinlich die zweckmässigste Form der Ueberleitung von einem privat-kapitalistischen Instrument in ein gemeinwirtschaftliches die Unterstellung unter einen zentralen Einfluss durch den Staat oder durch besonders zu diesem Zweck gebildete Organisationen sein wird.

Ich glaube, dass die Bewegung für diese mannigfachen Umgestaltungen im Gange ist. Die Ansatzpunkte sind vorhanden. Es kommt darauf an, von der Arbeiterklasse aus diese Entwicklung vorwärts zu treiben und sie ihren Interessen gemäss zu beeinflussen.

Dabei ist das Kampffeld ausserordentlich gross. Es ist, um die Basis für eine wirklich planmässige Wirtschaftsführung zu schaffen, notwendig, dass der Teil der Wirtschaft, der der privatkapitalistischen Herrschaft entzogen ist, immer grösser wird.

Darum tritt die Arbeiterbewegung immer für Ausdehnung der öffentlichen Wirtschaft ein und verteidigt die öffentliche Wirtschaft, wo sie bereits besteht und bedroht wird und nicht, weil wir in jedem Gemeinde-Elektrizitätswerk schon ein Stück Sozialismus sehen. Es gibt öffentliche Werke, die sehr schlecht und sehr kapitalistisch bewirtschaftet werden, das wissen wir alle. Wir wissen aber, dass wenn einmal das Eigentum sich gewandelt hat, wenn das Privateigentum, das die Grundlage der kapitalistischen Wirtschaft bildet, übergegangen ist in irgendeine Form des Gemeineigentums, dass dann die Chance in diesen Bezirken der Wirtschaft planmässig und gemeinwirtschaftlich zu wirken grösser wird.

Deshalb sind wir der Meinung, dass die öffentliche Wirtschaft so stark wie möglich ausgedehnt werden sollte und wir unterstützen diese Forderung gerade in einer Zeit wie der heutigen, in der die Massenarbeitslosigkeit so in den Vordergrund gerückt ist, weil wir die öffentliche Wirtschaft auch als eine wesentliche Voraussetzung für manche Möglichkeiten, eine Konjunktur-Politik zu treiben, ansehen.

Wir sehen heute ganz besonders grotesk in Deutschland, aber

auch in anderen Ländern, dass im Augenblick wo man die Krise am Arbeitsmarkt mildern müsste durch Vergebung öffentlicher Aufträge, das Gegenteil sich vollzieht und dass man gezwungen ist eine negative Konjunktur-Politik zu treiben. Die Finanznot der öffentlichen Körperschaften verschlechtert die Konjunktur-Lage, wo die öffentlichen Körperschaften die Konjunktur verbessern sollten. Das ist zwar zum Teil aus der besonderen heutigen Situation zu erklären, aber zum grössten Teil doch aus der Tatsache, dass wir uns in einem Gesellschafts-Zustande befinden, in dem der Träger der Gesamtinteressen, der Staat, die Gemeinde, arm sein kann in einem Augenblick, in dem es noch grosse Schichten in der Privatwirtschaft gibt, die reich sind. Wenn man sich zu der Auffassung durchgerungen hat, dass das Interesse der öffentlichen Hand der privaten Reichtumbildung voranzugehen hat, so wird auch in Krisenzeiten die öffentliche Hand ein grosser Faktor der Beeinflussung der Konjunktur, der Linderung der Krisenfolgen sein können.

Wir stehen vor einer ähnlichen Situation auf dem Gebiet der Kreditpolitik. Wir haben hier gestern gehört, dass es eigentlich nur ein paar kleine Störungen des Kapitalverkehrs gibt, die man beseitigen müsse, dann würde alles schon bald wieder gut und schön sein. Ich glaube es nicht! Ich würdige die politischen Schwierigkeiten, mit denen wir heute zu kämpfen haben, durchaus und möchte sie ebenso gern beseitigt sehen wie Herr Palyi.

Wenn ich von der Situation in Deutschland ausgehen darf, so ist der entscheidende Fehler in den letzten Jahren in Deutschland nicht der zu geringe Einstrom von Kapital aus dem Auslande gewesen.

Es ist eine ganze Menge Kapital hereingekommen, aber es ist schlecht angelegt worden, weil planlos damit gewirtschaftet worden ist. Es ist sehr charakteristisch: Die deutschen Banken, die diesen Prozess zum grössten Teile mitgeführt haben, die eine erhebliche Verantwortung für die Leitung des Kapitalstroms übernommen haben, haben nicht im Augenblicke der äussersten Zuspitzung der Krise und der Kreditschwierigkeiten in Deutschland gesagt: „Nun wollen wir auf dem Boden der kapitalistischen und freien Wirtschaft die Konsequenzen ziehen und dafür sorgen,

dass die Wirtschaft nach der Krise wieder in Ordnung kommt" Nein, sie sind gekommen und haben gesagt: „Lieber Staat, wir wollen zwar nichts von Dir wissen. Lass die Wirtschaft in Ruhe; aber hilf uns, gib uns Geld, übernimm unser Risiko!" Plötzlich waren aus den grössten Feinden der staatlichen Einmischung Leute geworden, die nach dem Staate um Hilfe riefen. Und für diejenigen, die die deutschen Verhältnisse kennen, ist die besondere Pikanterie dabei, dass es gerade der Führer der deutschen Grossbanken gewesen ist, der vor wenigen Jahren in Köln auf dem Bankiertag und später in den Geschäftsberichten seiner Bank nicht müde wurde gegen jede Staatseinmischung zu polemisieren, dem jetzt, die Ehre zugefallen ist, dass eine besondere Verordnung betreffend die von ihm geleitete Bank erlassen worden ist. Ich glaube, mit der Parole der Nichtstaatseinmischung auf dem Gebiete der Kredit- und Bankwirtschaft geht es nicht mehr. Denn was wir in Deutschland und genau dasselbe in Oesterreich erlebt haben in einer besonders schwierigen Situation, würde sich wie ich glaube, genau so in jedem anderen Lande abspielen, weil das Entscheidende doch das ist: Unsere grossen Finanzinstitute und genau so die grossen Finanzinstitute in den anderen Ländern sind ihrer Natur nach über das Privatwirtschaftliche hinausgewachsen. Man kann sich nicht mehr auf den Standpunkt stellen: „Wenn es eine Krise gibt, so mögen diese Institute zu grunde gehen." Das ging bei kleinen Instituten. Wenn man sich heute auf diesen Standpunkt stellte, wenn der Staat so lieblos gegenüber den Kapitalisten wäre, wie es die Kapitalisten gegenüber dem Staate sind, und sagen würde: „Ich übernehme nicht die Garantie, ich greife nicht ein" dann würden nicht nur die beteiligten Kapitalisten gestraft werden - das wäre kein Grund für uns, den Staat zum eingreifen zu veranlassen - gestraft werden würden die grossen Kreise nicht nur der Sparer, sondern auch der Kreditnehmer der Bank. Es würde eine grosse Anzahl Unternehmungen zusammenbrechen und Millionen Arbeiter und Angestellte würden von neuem arbeitslos werden. Es ist die Natur der Entwicklung des Finanzkapitalismus. die den Staat zwingt, sich um

seine Exponenten zu kümmern, wenn es schlecht geht.

Was soll nun in solcher Lage praktisch geschehen?

Wir glauben, dass es notwendig ist, überall wo sich solche, ich möchte sagen „Gelegenheitswandlungen" zeigen, sich einzusetzen für eine planmässige Beeinflussung der Wirtschaft. Wir haben z.B. in Deutschland in diesem Augenblick der Bankkrise nicht die Forderung aufgestellt, sämtliche Banken zu verstaatlichen. Ich bin kein grosser Freund davon unter solchen Umständen die Banken durch den Staat übernehmen zu lassen. Wenn eine grosse Zahl von Banken sich in dieser Lage befindet, halte ich es nicht für den klügsten Weg für den Staat sie zu übernehmen.

Ich glaube aber, dass diese Erfahrungen lehren, dass die Art der Lenkung des Kapitalstroms, wie sie durch die Banken erfolgt, nicht länger privatwirtschaftliches Geschäft sein kann, sondern dass hier starke Kräfte planmässig eingreifen müssen. Der Staat muss neues Recht schaffen, durch das eine Kontrolle und Einwirkung auf die Bankenführung gesichert wird. Menschen der Wirtschaft und Menschen aus der Staatsverwaltung müssen ein Instrument zur planmässigen, gemeinwirtschaftlichen Beeinflussung der Lenkung des Kapitalstromes durch die Banken in die Hand bekommen.

Man hat nun zu diesem Plane gefragt: „Warum glaubt Ihr denn, dass irgend ein solches, mit einer Lenkung beauftragtes Gremium klüger sein wird als die Bankdirektoren?" Mein Respekt vor den Bankdirektoren würde es an sich zulassen, anzunehmen, dass andere Leute, die in dieser Kontrolle arbeiten, vielleicht klüger sein würden; ich will aber annehmen, dass die Menschen, die in eine solche Kontrollfunktion hereingesetzt werden, gar nicht klüger sind als Bankdirektoren, allerdings brauche ich auch nicht zu glauben, dass sie dümmer sind! Ich glaube aber, dass sie Besseres leisten werden, weil sie vor ganz andere Fragen gestellt sind. Der Bankdirektor muss sich jetzt bei der Lenkung des Kapitals, bei der Gewährung der Kredite, in erster Linie seiner Verantwortlichkeit als Unternehmungsleiter seinen Aktionären gegenüber bewusst sein, d.h. er muss

privatwirtschaftlich im Hinblick auf Profit und Konkurrenz entscheiden. Wenn aber das „Gremium" zusammensitzt und es sind vielleicht auch Bankdirektoren dabei, so sind die Fragen, die sie dort zu entscheiden haben, keine Fragen über ihren individuellen Profit und das Geschäft ihrer Bank, sondern es sind volkswirtschaftliche überbetriebliche Aufgaben zu lösen.

Das klingt alles sehr theoretisch. Glücklicherweise aber gibt es eine Gelegenheit, die Richtigkeit dieser Theorie aus der Praxis zu beweisen.

Wir haben in Deutschland im Rahmen einer allgemeinen Wirtschaftsenquete vor ungefähr zwei Jahren Untersuchungen über Bankwesen und Bankkredit durchgeführt. Diese Untersuchungen sind sehr wenig von anti-kapitalistischen Kräften beeinflusst worden, sondern es waren besonders auf dem Boden des herrschenden Systems stehende Professoren, Bankdirektoren und Industrielle, die die Enquete gemacht haben. Das Interessante war aber, dass sie hier eine ganz andere praktische Aufgabe hatten als in ihren Geschäften. Infolgedessen haben sie in dieser Enquete mit der milden Tonart, die einem solchen Dokument entspricht, durchaus anerkannt und klar dargelegt, welche Fehler sie selbst in ihrer Praxis gemacht haben und, wie ich glaube, zu machen gezwungen waren aus ihrer kapitalistischen Stellung heraus.

Ich will das Beispiel nicht weiter ausspinnen. Ich habe Ihnen nur darlegen wollen, wie wir glauben, dass gegenwärtig dauernd Schritte in der Richtung der Umgestaltung der Wirtschaft zu planmässiger Lenkung getan werden können und getan werden müssen.

Dasselbe, was ich Ihnen hier von den Banken erklärt habe, möchte ich noch mit ein paar kurzen Worten in Bezug auf unsere Stellung zu den Kartellen und Monopolen erläutern.

Es ist hier schon davon gesprochen worden, dass Kartelle oder andere private Monopole, national oder international, keine Planwirtschaft, keine Gemeinwirtschaft bedeuten. Ein deutscher Gewerkschaftsführer hat den Monopolkapitalismus kürzlich wie folgt gekennzeichnet: „Durch diese Organisationen ist aus den Kriegen der einzelnen kapitalistischen Unternehmungen ein kapitalistischer Bandenkrieg geworden". Wo Privatunterneh-

mungen Monopolstellungen gewinnen, beuten sie andere Schichten der Gesellschaft aus. Ich glaube, es ist demgegenüber eine Utopie zu sagen: Zerschlagen wir die Monopole und wir werden wieder eine schöne Welt haben. Die Monopole sind gewachsen auf Grund des Zwanges aus der freien Wirtschaft heraus. Und wie man die Banken unter die Kontrolle des Staates bringen will, wie man aus den Banken Gemeinschaftsorgane der Kapitallenkung machen will, so muss man zunächst auch eine Kontrolle schaffen, die die Ausbeutung durch Privatmonopole zügelt. Man muss diese Ansätze wirtschaftlicher Organisation des privaten Kapitals benutzen als Instrument einer ganz anders gerichteten Wirtschaftspolitik. Das wird zuerst im nationalen Rahmen geschehen müssen, darüber hinaus aber wird man zur Kontrolle der internationalen Kartellierung und Monopolisierung auch internationale Kontrollorgane schaffen müssen.

Ich glaube, man kann keinen Weltplan schaffen und durchführen, wenn man nicht in den einzelnen Ländern die solide Grundlage für eine planmässige Führung geschaffen hat. Ein Weltwirtschaftsplan würde ohne diese Grundlage in der Luft schweben. Eine planmässige Gestaltung der Weltwirtschaft muss ausgehen von der planmässigen Führung der nationalen Wirtschaften. Gestützt auf die Grundlage planmässiger gemeinwirtschaftlicher Lenkung in den wichtigsten Ländern kann man daran denken eine Weltplanwirtschaft zu entwickeln.

Ich darf Ihre Zeit nicht länger in Anspruch nehmen. Ich will ganz kurz, zusammenfassend Folgendes sagen.

Wir Sozialisten haben nicht die Hoffnung, dass wir den Weg zur Planwirtschaft, wie ich ihn hier skizziert habe, diesen Weg zur Verwirklichung des Sozialismus, der aus vielen einzelnen Wegen besteht, entscheidend dadurch erreichen werden, dass wir die Kapitalisten von seiner Vernunft überzeugen. Wir glauben, dass im wesentlichen die Schichten der Kapitalisten,

die geneigt sind freiwillig derartige Entwicklungen ernsthaft zu fördern, sehr gering sein werden. Wir glauben deshalb, dass es um die Durchsetzung dieser neuen Wirtschaftsideen in jedem Lande und in der ganzen Welt erbitterte Kämpfe geben wird. Wir glauben, dass wir, indem wir diese Ideen vertreten, gleichzeitig die Aufgabe haben, die Kampfkader für ihre Durchführung zu schaffen. Diese Kampfkader werden im entscheidenden Augenblick auf der Seite der Arbeiterklasse sein, sie werden bestehen aus denjenigen, die ganz natürlicherweise rebellieren müssen gegen alle Not und gegen alles Elend, die das herrschende System mit sich bringt. Ueber diese unmittelbaren Kampfkader hinaus hat es immer gegeben und wird es in Zukunft geben einen Kreis von Menschen, die entscheidend nicht aus oekonomischen Interessen, sondern aus ethischen Antrieben sich mit diesem Ziel einer Neuschaffung der Welt identifizieren.

Da man, wenn man einen Kampf für eine grosse Sache führt, selbstverständlich Bundesgenossen nicht nur annehmen, sondern suchen muss wo man sie findet, so wird uns - in diesem Falle: der modernen Arbeiter-Bewegung - die Bundesgenossenschaft von Menschen, die ehrlich an ihrem bisherigen System verzweifelt sind, willkommen sein.

Sie wird uns willkommen sein unter einer Bedingung und zwar, dass uns durch dieses Zusammenarbeiten im Einzelnen die Klarheit des Zieles nicht verloren geht; dass wir wissen und daran festhalten: Wir wollen nicht nur im Einzelnen dieses oder jenes ändern; unser Ziel ist mit der einzelnen Reform, die wir anstreben nicht erreicht. Wir wollen die Umgestaltung des jetzigen Systems von Grunde aus! Unser Ziel ist, aus einer kapitalistisch geführten Wirtschaft eine planmässig gelenkte Gemeinwirtschaft zu machen; aus einer Gesellschaft, die auf dem privaten Eigentum an den Produktionsmitteln klassenmässig aufgebaut ist, eine klassenlose Gesellschaft zu schaffen.

DISKUSSION VON FRAU PROF. DR. F. WUNDERLICH, Mitglied des Preussischen Landtages, Herausgeberin der „Sozialen Praxis", Berlin.

Im Thema des heutigen Tages steckt eine Fülle von Problemen. Zunächst das eine, dass das Niveau der Lebenshaltung abhängig ist von der Produktionskapazität, von der Ergiebichkeit der Wirtschaft. Zuerst muss die Güterversorgung eine reichliche sein, um den Menschen der Masse auch nur ein bescheidenes Mass an Lebensfreuden zuzuführen. Eine produktivitätshemmende Planwirtschaft wäre falsch konstruiert. Man könnte sagen, dass kapitalistische Verschwendung dem organisierten Hunger vorzuziehen sei.

Auf dem Gebiete der Produktionssteigerung, der Förderung des technischen Fortschrittes, hat die kapitalistische Wirtschaft so viel geleistet, dass es zweifelhaft ist, ob eine andere Wirtschaftsform das Gleiche erreichen wird.

Aber die Produktionskapazität allein genügt noch nicht. Sie wird unwirksam, wenn Güter falsch produziert werden, wenn mehr Kohle vorhanden ist, als Industrie und Haushalt brauchen, wenn Kapital-Fehlinvestitionen zur Verschwendung wirtschaftlicher Werte führen. Solche Fehler, Unverhältnismässigkeiten, können in der primitiven Wirtschaft vorkommen. Auch Robinson kann in einer rationell erbauten Hütte verhungern, wenn er zu viel Zeit auf den Bau verwendet hat. In der kapitalistischen Wirtschaft haben die Fehlleitungen sich so gehäuft, dass der Ruf nach Planung laut wurde.

Ganz besonders aufreizend hat das Missverhältnis von Produktion und Kaufkraft gewirkt, das am besten durch unser Inflations-Wort gekennzeichnet wird: „Deutschland verhungert bei vollen Scheunen." Heute könnte man dieses Wort auf die ganze Welt anwenden. Dass Waren, die im Ueberfluss vorhanden sind, vernichtet werden, dass Menschen nach ihnen hungern, während ihre Arbeitskraft durch sie gestärkt, ihre Lebensfreude durch sie erhöht werden könnte, das begreift die Menschheit nicht mehr.

Neben diesen Fragen der Proportionalität steigt als nicht minder dringlich die des „Wie" der Verteilung auf. Wenn wir von der Voraussetzung ausgehen, dass ein möglichst hoher Lebensstandard der Massen anzustreben ist, dann brauchen wir eine

möglichst gleichmässige Einkommenverteilung, da der Arme mit seinem Einkommen dringlichere Bedürfnisse befriedigt als der Reiche. Dass auch diese Proportion in der heutigen Wirtschaft eine unzweckmässige ist, ist allgemein bekannt.

Wenn die Frage aufgeworfen wird, was an Planung vorgenommen werden kann, um das Missverhältnis von Produktion und Kaufkraft zu beseitigen, so müssen vorweg die verschiedenen Möglichkeiten der Planwirtschaft geklärt worden. Prof. Palyi hat den privaten Planungsversuchen die zentralen gegenüber gestellt. Ich möchte das Schema noch erweitern. In der Hauptsache gibt es zwei verschiedene Arten von Planwirtschaft:

1. die zentralistische, die das alte Egypten und das neue Russland durchführen;
2. Planung in der Marktwirtschaft, in der Verkehrswirtschaft, unter Aufrechterhaltung der Preise.

In beiden gibt es grundsätzlich mindestens zwei verschiedene Möglichkeiten. In der Verkehrswirtschaft neben der privaten Planung die öffentlich-gemeinnützige, also neben der Planung durch das Kartell etwa die Kartell-Kontrolle. In der zentralistischen Wirtschaft kann man entweder vom Bedarf ausgehen, wie Neurath, ihn statistisch erfassen und ihm dann die Produktion anpassen, oder man kann, wie in der russischen Wirtschaft die Produktion steigern, den gegenwärtigen Bedarf drosseln, um die Produktionswirtschaft der Zukunft zu erhöhen. Auch andere Kombinationen sind denkbar.

Wenn ich mich für die Planung innerhalb der Verkehrswirtschaft und gegen die zentralistische entscheide, so ist dafür eine Reihe von Gründen massgebend, die ich nur ganz kurz skizzieren kann.

1. Erstens erscheint mir die zentrale Planwirtschaft zu gefahrvoll. Man kommt zu ihr nur mit einem Schritt ins Dunkle, ins Chaos hinein und kann nur theoretisch konstruieren, wie man sie sich denkt, ohne die gegenwärtige Wirtschaft in der Richtung auf sie beeinflussen zu können. Allerdings müsste man das Risiko auf sich nehmen, wenn man sie für richtig hielte.

2. Ich glaube nicht an die Ueberlegenheit der Zentralstelle. Ich habe zu viel Wirtschaftsführer und höchste Beamte in ihrer Arbeit kennen gelernt, um zu glauben, dass diese Menschen einzeln

oder kollektiv die Preisregulierung ersetzen können. Ich glaube nicht, dass es gelingt, in einer Zentralleitung politische und andere Interessen voll auszuschalten. Seitdem Plato die Herrschaft der Weisen gefordert hat, ist es noch nicht gelungen, die Weisesten an die Spitze zu bringen.

3. Ich sehe ferner keine Möglichkeit - und das ist die Kardinalfrage - eine exakte Erfolgsrechnung nach Ausschaltung des Preisregulators aufzustellen, obwohl eine Ergänzung oder Kontrolle der Geldrechnung durch Naturalrechnung sehr wertvoll sein könnte.

4. Ich sehe nicht, wie die Neurath'sche Bedarfs-Statistik erhoben werden soll, welche Bedürfnisse man anerkennen darf. Auch würde diese Statistik in einer fortschrittlichen Wirtschaft dauernd veraltern.

5. Ich erkenne das Ziel, das die russische Wirtschaft sich gesetzt hat, die Produktionssteigerung, nicht an. Produktion hat nur Sinn mit Rücksicht auf die Lebenshaltung der Massen. Nicht das ist von Interesse, dass Russland die Zuckerproduktion vervierfacht, sondern ob dieser Zucker vom russischen Volke, das immer noch den niedrigsten Zucker-Konsum von Europa hat, verzehrt wird. Wird dieser Zucker produziert, um auf dem Wege des Dumping ins Ausland geschleudert zu werden, so sehe ich darin etwas ähnliches wie eine Rüstungsproduktion. Eine entgegengesetzte Zielsetzung, die den Lebensbedarf der gegenwärtigen Generation hochwertet, könnte umgekehrt die Kapitalakkumulation zu stark vernachlässigen. Das Verhältnis von Verbrauch und Akkumulation kann zu erbitterten Machtkämpfen führen.

6. Die zentrale Planwirtschaft kann das Führerproblem der Wirtschaft nicht lösen, wie Stalin's letzte Rede beweist.

7. Der Verwaltungsapparat wird in der zentralen Planwirtschaft leicht zu gross und zu teuer werden, sodass schliesslich der Zustand eintritt, den ein amerikanischer National-Oekonom dahin charakterisiert hat, dass die meisten Menschen in Kommissionen sitzen und Waren verteilen, die nicht vorhanden sind.

Wir dürfen also, obwohl die zentrale Planwirtschaft den Vorzug der Einheitlichkeit besitzt und von geringerer Explosivität ist als eine gemischte Wirtschaftsform, nicht den Sprung ins Dunkle wagen. Wir werden den anderen Weg gehen müssen, den des

Einbaues planwirtschaftlicher Massnahmen in die Verkehrswirtschaft. Dabei ist allerdings zu bedenken, dass, um die Produktivität des Wirtschaftsablaufes zu sichern, die natürlichen Sicherungen, die die Marktwirtschaft besitzt, nicht zerstört werden dürfen, d.h. der Automatismus der Preisbildung aufrecht erhalten werden muss. Zum Teil wird die Planungsarbeit gerade darin bestehen, Preisbildungen, die zu Kapital-Fehlleitungen führen, zu beseitigen. Ich nenne nur Zölle, Subventionen, Kartellpreise.

Wir haben in Deutschland schon eine Fülle von Erfahrungen mit dem planwirtschaftlichen Einbau gemacht. Die Planwirtschaft von Kohle und Eisen hat uns gezeigt, dass es zu einer neuen Klassenfront: Produzent contra Konsument kommen kann. Der Kommunal-Sozialismus zeigte an Stelle der Klassenkämpfe Kämpfe der Ressorts und der Berufsgruppen unter einander. Bisher ist die Ehe von Markt und gemeinwirtschaftlicher Planung nicht gerade glücklich gewesen. Ich erwähne die Konflikte nicht, um zur Scheidung zu raten, sondern damit man intensiv Studien treibt und sorgfältig beobachtet, um nicht durch unvorsichtige Massnahmen den Automatismus der Preise zu hemmen ohne die Planwirtschaft zu erreichen.

Was wir im Augenblick brauchen ist demnach eine Korrektur der Verkehrswirtschaft, sowohl zur Vermeidung von Kapital-Fehlleitungen - was sich allerdings nicht restlos erreichen lassen wird, da ein Teil der Fehlleitungen nicht auf Mangel der Planung sondern auf nicht vorher zu sehendem technischen Fortschritt beruht - wie zur Sicherung des Lebensbedarfs und zur Beseitigung des Risikos der Unversorgten.

Zur Sicherung der beiden letzten Forderungen ist vor allem die Beeinflussung der Wirtschaft in der Richtung regelmässiger Beschäftigung und hoher Löhne zu erwähnen. Es gehört ferner hierher die Fülle sozialpolitischer Massnahmen zur Existenzsicherung, die heute schon in Industrieländern zum Teil getroffen worden sind, wie Schlichtung, Tarifvertrag, Notstandsarbeiten, u.a. Wir müssen aber drittens auch den Einbau kollektiver Einrichtungen in die Verkehrswirtschaft in Erwägung ziehen. Auch hier liegen Erfahrungen vor. Man denke an den Fortschritt, der von der Zeit des 18. Jahrhunderts, in der in London

jeder Hausbesitzer selbst für Strassenpflaster und Strassen-Beleuchtung sorgte, bis zur kommunalen Befriedigung dieser Bedürfnisse geführt hat. Wir haben Kollektiveinrichtungen, wie Museen, Bibliotheken, Einrichtungen für Sport, Gesundheitszwecke; wir haben Impfzwang und in einigen Ländern Zwangssozialversicherung. In der Schule garantiert der Staat ein Bildungsminimum. Die Frage, wie weit andere dringliche Bedürfnisse von öffentlichen Körperschaften befriedigt werden sollen, müsste eingehender geprüft werden als bisher. Zu bedenken ist bei Untersuchung des Problems: Wie weit der Existenzbedarf sichergestellt werden soll und für wen; dass die Organisation die Arbeitsinitiative nicht schwächen darf (hier liegen interessante Erfahrungen aus der Arbeitslosenversicherung vor): ferner dass die Organisation so elastisch bleibt, dass sie sich der Volkswirtschaft anpasst (so z.B. hat sich das Verfahren, Kapitalien in der Invaliden- und Altersversicherung anzusammeln, als unzweckmässig erwiesen) und wie weit für diesen Zweck auf dem Steuerwege Eigentum an den Staat gezogen werden kann, ohne den Mechanismus der Verkehrswirtschaft zu lähmen. Dieses wäre das Problem der Grenzen der Sozialpolitik. Das Mass derartiger Einrichtungen ist abhängig vom Reichtumsgrad einer Wirtschaft, wie der Schwere Rückschlag, den alle diese Einrichtungen z.Z. in Deutschland erleiden, in trauriger Weise zeigt.

DISCUSSION BY Dr. MARIUS G. LEVENBACH, Lecturer in Labour Law, University of Amsterdam.

Until yesterday I felt that, in spite of much being said about facing facts, we were, in a certain way, remaining in the sphere of theoretical speculation. We have heard in this Congress a great deal about the necessity for planning. The idea of planning has been developed and made much clearer to many of us than it was before we came here. Also much has been said about the technique of planning. For we have been talking about the idea of planning in general and about the technique of its appliance, just as if we already had the power to direct world-economy. Now I certainly do not want to deny the importance of these discussions. But there is also the question of how we are going to bring it all about, how we shall get the power

to plan, how we can get to action. The Russians have attained their power and they have told us how they are using it. But in capitalistic economy there is not - as yet - any power for general world social economic planning. There are powers that may develop into this direction and yesterday we started discussing them.

Now the more limited question on which, in my opinion, our attention is focussed this morning, is the following: What ought we to expect in this direction from those two great international movements: a) the International Labour Organization (on which M. Thomas gave us such an enthusiastic and eloquent address). and b) the International Labor Movement (whose aims and purposes were explained by Herrn Naphtali in his illuminating speech)?

But before passing to these international organizations, I want to say something concerning the problem of action towards a planned economy in general, though this may sound theoretical too. In my opinion, as soon as we are concerned with action to bring planned economy about, the question of property inevitably arises. It was said by one of our American speakers that the question of ownership is of no importance, but that it all is a question of applying to world economy the methods of scientific management hitherto confined to the individual plant. I do not agree with that. Or rather I would say that it is impossible to apply to the principle of planning, the s o c i a l economic point of view fully, as long as private owners of the means of production are allowed freely to seek their own profits, to promote their individual purposes. It is impossible to plan without control over the factors which are to be planned. Planning means bringing order. I heard once as a definition of order that it is disarranged chaos. So in planning you must disarrange the chaos inherent in individual property. Social economic planning means restraining private property, limiting its power, binding its liberty. To a certain degree, private property is already controlled or abolished in our Western society, as has been stated by Mr. Quigley, Herrn Naphtali and Frau Dr. Wunderlich. But this is to a small degree only - for otherwise our society would no longer be capitalistic. And as far

as this is done private property disappears economically, whatever the forms of law may be called that bring this about. Now I do not believe we shall achieve social-economic planning for the world, only by the voluntary efforts and sacrifices of all the individual private owners of the means of production - though we might foster the hope that they may help a little. Historic experience gives some arguments for the thesis that the preaching of good-will alone does not bring about a rational society. So an institutional change must take place. This means that private ownership will be further restricted, will be abolished to a certain degree by the taking away of functions which it has to-day, and by transferring these to others than the private individual owners, through giving certain rights of control to other groups.

We cannot shirk this issue the moment that we speak not only of the idea of social economic planning in general but tackle the problem of its historical realisation in our Western world. its realisation in the history of today and of tomorrow by the available social forces.

And now I come back to this morning's subjects.

May I first say a few words on the labor movement.

Herr Naphtali gave us the economic policy of the modern labor movement. It may be useful to remember that this it not the only labor movement. Personally I may deeply regret the separate existence of different labor movements. But as a student of social life, I have to look at the facts and to draw your attention also to the existence of, for example, the Christian Trade Union movement. The philosophical ideas of the International Federation of Christian Trade Unions and of I. F. T. U. differ. Their separate existence is a troublesome fact when bringing about necessary changes. As far as the idea of social-economic planning is concerned, there may be a certain agreement between the two. Mr. Serraren's speech on Wednesday morning was a proof of it.

So we can say that, in principle, the whole labor movement favors the idea of social economic planning. As a matter of fact, the labor movement must favor this idea because of the very reason of its existence. For the workers are the most hit

by the absence of a planned economy. Therefore I want to underline that the labor movement can be and must be a great force in the realisation of more planned economic life.

And planning will not succeed without the whole-hearted collaboration of the workers as individuals and the collective collaboration of the workers represented by their own organisation. The technique of planning may be a matter for the planning technicians. But its practical realisation is a matter for all the people concerned. For applying scientific management in the shop and in a separate industry in a r i g h t f u l way, in a constructive way from the point of view of human relations, it is necessary to get union-management cooperation, as the American terminology calls it. Now in the same way, it is necessary not to neglect the voice of labor in the wider field of social-economic planning. If we want whole-hearted collaboration from the workers in social-economic planning - and I believe we cannot dispense with that - then we need democracy in industry.

(I think Herr Naphtali has considered this as such a matter of course that he hardly touched it. But I thought it might not be superfluous to point it out.)

Now I want to add a few words only on the International Labor Organization. We all listened, I feel sure, with great interest to the admirable speech M. Thomas made. Not only because of its eloquence and its humanity, but also because we are glad that he came here, and because we feel that the I. L. O. has something to do with this Conference.

Of course social economic planning is first of all a matter of e c o n o m i c organization. We heard about the economic service of the League of Nations yesterday from Prof. Broda. It is not necessary to raise demarcation questions here. However, I want to remind you of the words Miss van Kleeck spoke to us in the opening meeting on Sunday evening. She said "notwithstanding our differences of opinion, we are all agreed on one purpose: that the object of our work and thinking here is to raise the standard of living". Now the I. L. O. also stands for purposes which are essentials of the idea of social economic planning: a standard of living and security of wages. While

the I. L. O. is primarily concerned with the conditions of labor, it is also inevitably concerned with the conditions of living, with social welfare, and with economics; and being concerned with employment, it is concerned with security, with social-economic planning.

We cannot separate the social and the economic element. (I do not think anybody in this Congress wants to try to do so.) And therefore the International Labor Organization ought to be in collaboration, in very strict collaboration, with all endeavors toward social-economic planning. It can do great work in this field. It has already a splendid record in general and can accomplish much for social economic planning, with regard to study, research and information, as an inspiring force and a stimulus of action. My point is therefore that we do not need new centers of study and research on economic planning, as was proposed to us yesterday. We have already got those centers in the institutions of Geneva and those institutions have a real power behind them of responsible statesmanship. So the thing to do is to strengthen those movements and organizations in Geneva, instead of creating new ones which would not be wise planning.

I doubt whether the promotion of legislation section of the International Labor Organization has any task in respect to economic planning. Fixing international legal standards by convention on wages is within its competence, but I do not believe that for wages in general they are a practical proposition. With regard to this I should be very interested to hear M. Thomas' opinion on the extremely interesting proposal made by Mr. G. D. H. Cole in his memorandum to the Unemployment Committee of I. L. O. (Studies and Documents C No. 16 Problems of Unemployment 1931) about the possibility of an international convention against a general reduction of wages.

Let me conclude by saying that this is a Congress of ideas. We are here as individuals. But this morning we were addressed by speakers of great influence in two international movements. Both movements stand for the social idea. I hope they will strongly take to action for social economic planning. For the

DISCUSSION

International Labor Movement and the International Labor Organization are both important forces in the development of world social economics.

WORLD SOCIAL ECONOMIC PLANNING - STATEMENT AT FINAL SESSION OF THE CONGRESS BY MARY VAN KLEECK, CHAIRMAN OF PROGRAM COMMITTEE, ASSOCIATE DIRECTOR OF THE INTERNATIONAL INDUSTRIAL RELATIONS INSTITUTE, DIRECTOR OF DEPT. OF INDUSTRIAL STUDIES OF THE RUSSELL SAGE FOUNDATION, NEW YORK.

We have attempted at this Congress an exceedingly difficult task. Coming together from different countries, with different economic systems, with different political philosophies, in a day when nations are being separated one from the other by the desire for self-sufficiency, each seeking independence though it be at the expense of another, divided as we are by these purposes and attitudes, we have nevertheless believed that we may reason together upon the common task of humanity.

If I were to attempt a single statement to which I believe this whole Congress would agree, I would express it in this twofold theme, which seems to me to have run through all our discussions:

1. The present economic crisis, with its suffering for millions of persons throughout the world, demands the exercise of the most expert intelligence which the world's intellectual resources can bring to bear upon a common world.
2. The common world task is to maintain and to raise the standards of living of all people, first, by dealing with the immediate critical questions, and second, by directing the resources of intelligence towards the constructive upbuilding of social economic life.

Social Economic Planning, which has been the central subject of discussion, is a name for a definite procedure, which has yet to be tested in its application to the world's economic life, but its underlying principles have been developed in the scientific management movement and its instruments are to be found in statistical economics and in management engineering.

These are tools which can be used in spite of our different outlooks; the differences become unimportant as they are merged in co-operation in a common task.

WORLD SOCIAL ECONOMIC PLANNING

The discussion during the Congress and the papers prepared for it have considerably clarified thought regarding the form which World Social Economic Planning should take. Upon the most important point for primary consideration, namely, the objective of Social Economic Planning, there was general agreement that its task would be to indicate by statistical research the ways in which the world's productive capacities can be utilized to raise the standards of living.

Meanwhile, the spirit of planning, the attitude of mind which it suggests, is needed at once. At this moment the nations are called upon to deal through their governments with disarmament, war debts and reparations, tariffs, banking policies, relations with the Soviet Union, and other factors affecting international trade. To those who accept Social Economic Planning as an attitude of mind, all of these problems of political and financial action in the international sphere would resolve themselves into the twofold question:

1. What are the economic effects at the present moment of armaments, war debts and reparations, tariffs, banking policies, and attitudes toward the Soviet Union?
2. What measures should be taken with reference to them, in order that economic order may be restored and economic progress begin?

If public opinion can be brought to bear with increasing force upon these tasks which confront the governments of nations, and if that public opinion can be animated by the social will to apply to all policies the test of their effect upon standards of living, then it will be possible at once to make use of technical skill in its bearing upon these problems. In other words, the immediate aim of political action needs to be redefined in terms of its social effects and the technical procedures for achieving the end desired must be worked out by the technicians.

Planning, like all words which assume a different connotation for different persons, must suffer some confusion from diver-

gent interpretations. In calling this Congress there was no thought of a rigid definition of planning. We were not thinking of a Board which would suddenly regulate the affairs of the world; we were not thinking of a rigid formula; we were rather thinking broadly of the spirit of planning. In a highly complicated civilization, growing more complicated as it extends throughout the world, surely it is impossible to live without planning.

Planning as we have discussed it represents a new spirit, a new attitude, which frees us from the fears and complexities of our divided interests.

This is not intended to answer any of these controversial questions. It is to point out that a new approach to political problems in their relation to economic facts is the first step that Planning implies. To act blindly, without recognizing that any action on any of these political subjects has far-reaching consequences for the economic life of the world, is to reject the methods of rational procedure which are at hand.

This Congress, in placing so many complicated subjects on its program, did not do so with any idea that a merely superficial discussion was sufficient. We did so rather with the thought of recognizing the necessity for the expert work of many minds of great technical experience in their bearing upon the solution of these problems.

If there were great leadership today, individuals able to tell us how to put the world in order, it would relieve us all of a great responsibility, but apparently we have passed the age of one great leader and have come to the day when we have to substitute group leadership for the individual leader.

There are two reasons for a Congress of average citizens - if we may thus be described without belittling the attainment of our distinguished members - to consider what may appear to be the exclusive work of experts and professionals. The first reason is that we have to act today; that we h a v e t o

Industrial Relations Association* as its address. This committee would receive suggestions and would communicate with research agencies, probably arranging in the near future for a conference of representatives of technical and scientific organizations to consider a World Social Economic Center.

The International Industrial Relations Association has from the beginning stated that this Congress was not exclusively a meeting of its members but was held under its auspices. The intention was, and is, to make possible wide co-operation on the part of many individuals and associations while at the same time avoiding the danger of taking no action.

The functions of a World Social Economic Center might be as follows:

1. To centralise the planning of research which would preferably be carried on by national and international bodies devoted to research. The Center would not develop extensive research of its own but would bring together the results of investigations wherever they might be made.
2. To focus investigations upon practice, that is, to serve as a planning group. When the engineer studies how to build a bridge, he takes over scientific discoveries and applies them to building a bridge which will carry the traffic. Those who are responsible for business and industry today must become aware of the inevitable effects of given practices. They must also learn from economics and scientific management the methods of attaining a desired end.

The end to be chosen is of course a question of values - of social ethics and philosophy. Technology has, however, so increased possibilities in economic life that men's conception of the end to be attained through economic processes must be enlarged if the further development of economic capacity is to be realized. In other words, we have made enormous gains in production but we have not learned to balance production through buying power, that is, through distribution. A World Social Economic Center, aware of the enormous possibilities of modern industry, could have no lesser end than security and progressive im-

*Reconstituted on April 1st 1932 into the International Industrial Relations Institute with headquarters at 232 Badhuisweg, The Hague, Holland.

provement of standards of living of all people. This end is based squarely upon the idea that the possibilities of modern industy cannot be realized unless the balance be kept through this progressive improvement in standards of living. This improvement in standards of living being the central "conditioning factor", all research and planning would be directed toward it.

Meanwhile those associations and individuals, who are not technicians, have an important task to perform in stimulating study and discussion along the lines which have been begun at this Congress. All members of the Congress, returning to their homes, have the opportunity to take part in giving a new direction to public opinion in support of a changed attitude of mind in political action, insisting upon testing all public policies in terms of their effect on standards of living in all countries and not merely in their own country.

If the insistence in this Congress has been upon World Planning, the necessity for national action is not thereby disregarded. A new meaning is given to national action if it be guided by a new and growing consciousness of world unity.

L'AMÉNAGEMENT ÉCONOMIQUE ET SOCIAL DU MONDE - RAPPORT PRÉSENTÉ à LA SESSION DE CLôTURE DU CONGRÈS PAR MARY VAN KLEECK, PRÉSIDENTE DU COMITÉ DU PROGRAMME, DIRECTRICE ADJOINTE DE L'INSTITUT INTERNATIONAL DES RELATIONS INDUSTRIELLES. DIRECTRICE DES ÉTUDES INDUSTRIELLES DE LA RUSSELL SAGE FOUNDATION, NEW YORK

Nous avons entrepris, en convoquant ce Congrès, une tâche extrêmement difficile. Nous venons en effet de pays différents, ayant des systèmes économiques différents, imprégnés de philosophies politiques différentes et nous nous sommes rencontrés à une époque où les nations sont séparées les unes des autres par le désir de se suffire à elles-mêmes, chacune visant à l'indépendance, fut-ce aux dépens des autres; ainsi divisés par ces buts et ces attitudes, nous avons cru néanmoins que nous pouvions raisonner en commun sur une tâche qui intéresse l'humanité entière. Si j'étais tentée de rédiger une motion simple destinée à être acceptée par le Congrès dans son ensemble, je la présenterais sous forme d'un double thème:

1. La crise économique présente, avec les souffrances qu'elle entraîne pour des millions d'êtres humains dans le monde entier, requiert la contribution des intelligences les plus expertes que peuvent fournir les cadres intellectuels et techniques du monde, en vue d'assumer une tâche universelle commune.
2. Cette tâche universelle commune est de maintenir et d'élever les niveaux de vie de tous les peuples, tout d'abord en solutionnant les questions critiques urgentes, et ensuite en dirigeant les ressources de l'intelligence vers l'élaboration d'un aménagement satisfaisant de la vie économique et sociale.

L'aménagement économique et social, qui était le thème central du Congrès désigne une méthode définie, qui n'a pas encore été éprouvé quant à son application à l'économie mondiale, mais dont les principes fondamentaux ont été établis par le mouvement de gestion scientifique, et dont les instruments sont la statistique économique et la technique de la gestion.

Ce sont là des instruments qui peuvent être utilisés par toutes

les nations, en dépit de leurs situations différentes; en effet, ces différences ne deviennent importantes à considérer qu'au moment où elles doivent s'effacer devant une tâche commune à accomplir, c'est-à-dire dans les cas où la coopération est nécessaire.

Les rapports préparés à l'occasion du Congrès et les discussions qu'il a fait naître ont clarifié considérablement les conceptions quant à la forme que doit prendre l'aménagement économique et social. Sur le point le plus important à considérer, à savoir l'objectif de cet aménagement, l'accord fut général: son objectif doit être d'indiquer, par des recherches statistiques, les moyens permettant d'utiliser les capacités productives du monde pour élever les niveaux de vie.

En attendant, le sens de l'aménagement économique, l'attitude d'esprit qu'il suggère est dès maintenant nécessaire. Les grandes questions qui préoccupent actuellement les nations et que leurs gouvernements sont appelés à solutionner sont en effet nombreuses: désarmement, dettes de guerre et réparations, tarifs douaniers, politique bancaire, relations avec les Soviets, et en général tous les autres facteurs qui affectent le commerce international. A ceux qui acceptent l'aménagement économique et social comme attitude d'esprit, tous ces problèmes d'action politique et financière d'ordre international se résolvent en une double question:

1. Quels sont à l'heure actuelle les effets économiques des armements, des dettes de guerre et des réparations, des tarifs douaniers, de la politique bancaire et des attitudes prises à l'égard des Soviets?
2. Quelles mesures faut-il prendre vis-à-vis de ces problèmes pour que l'ordre économique puisse être restauré et que commencent les progrès économiques?

Si l'opinion publique pouvait être amenée à considérer avec une force croissante ces problèmes qui confrontent les gouvernements des nations, et si cette opinion publique pouvait être animée de la volonté sociale d'appliquer à ces problèmes

l'épreuve de leur effet sur les niveaux de vie, il serait possible d'employer sans délai les règles de la technique pour résoudre ces questions. En d'autres termes, le but immédiat de l'action politique doit être défini en tenant compte de ses effets sociaux : et les procédés techniques destinés à atteindre ce but doivent être mis en oeuvre par des techniciens.

L'expression „aménagement économique", comme toutes celles qui peuvent évoquer des idées différentes, est sujette à confusion. La convocation de ce Congrès n'impliquait pas une définition rigide de l'aménagement économique. Nous ne songions nullement à un organisme qui aurait tout à coup régularisé la vie économique du monde, et ce n'est pas à une formule rigide que nous nous attachions, mais plutôt à l'attitude d'esprit que suppose l'aménagement économique . Dans une civilisation très complexe, et se compliquant encore au fur et à mesure qu'elle s'étend au monde entier, il est certainement impossible de vivre sans un certain aménagement économique.

L'aménagement économique tel que nous en avons discuté représente un nouvel esprit, une nouvelle attitude qui nous libère des craintes et des complications que font naître les divergences d'intérêts.

Cette remarque ne répond pas aux questions controversées, mais elle fait ressortir qu'une nouvelle attitude à l'égard des problèmes politiques en relation avec les faits économiques constitue le premier pas qu'implique l'aménagement économique. Agir aveuglement, sans reconnaître que toute action concernant l'un quelconque de ces problèmes politiques a des répercussions profondes sur la vie économique du monde, c'est rejeter les méthodes rationnelles qui font l'objet de nos recherches actuelles.

Ce Congrès, en inscrivant à son programme des sujets aussi complexes, n'était pas guidé par l'idée qu'une simple discussion superficielle serait suffisante. Il était au contraire pénétré de cette pensée que la solution des problèmes abordés néces-

sitait la collaboration de maints esprits experts et de grande expérience technique.

Naturellement, s'il y avait de nos jours des hommes capables de nous dire comment il faut mettre le monde en ordre, et capables de prendre la direction du mouvement, nous serions déchargés d'une grande responsabilité; mais apparemment, nous avons dépassé l'âge du chef unique et atteint celui où nous devons substituer à la direction individuelle la direction d'un groupe.

Cependant, il y a deux raisons pour un Congrès de „citoyens moyens" - si j'ose, en parlant de nos membres éminents, dont je ne voudrais certes pas sous-estimer la haute valeur, me servir d'une telle épithète - de se préoccuper d'une oeuvre qui peut apparaître comme exclusivement réservée aux experts et professionnels. La première raison est la nécessité d'agir, l'obligation où nous sommes de jouer un rôle dans la formation de l'opinion publique. La seconde raison est la tendance des techniciens à travailler dans des compartiments séparés, alors qu'il faut avant tout, aujourd'hui, collaborer à une tâche commune. En groupant ceux qui représentent la vie publique d'une part et les experts d'autre part, notre pensée est d'établir entre eux une communication et d'assigner à chacun une fonction en relation avec la fin commune à atteindre, au lieu de se contenter du travail séparé de nombreux spécialistes.

L'aménagement économique et social n'est pas un concept simple. Ceux qui ont commencé à l'étudier se rendent compte de la nécessité d'un centre commun. Il est de la plus haute importance qu'il y ait un étroit contact entre ceux qui cherchent à établir un aménagement économique dans chaque nation. De plus, tous les aménagements économiques nationaux doivent être conçus et administrés à la lumière des points de vue internationaux pour la raison que l'aménagement économique ne peut remplir entièrement son rôle sans tenir compte

des facteurs internationaux. Parallèlement à l'action nationale, doit donc se développer l'étude minutieuse des moyens par lesquels l'aménagement économique et social universel peut être organisé.

Dans ce but, un Centre de Recherches mondial est nécessaire pour coordonner les efforts des techniciens, pour diriger leur attention sur les problèmes communs, pour obtenir l'uniformité des statistiques relatives à l'aménagement économique et pour faire progresser la précision des méthodes de recherches économiques et sociales.

L'accomplissement de cette tâche exige le concours de nombreuses associations et personnalités qui n'ont pas pris part à ce Congrès. Certes, les membres de ce Congrès sont conscients de l'urgence qu'il y a à agir, mais il est évident que définir avec trop de précipitation une formule d'action, c'est empêcher dans l'avenir proche une réalisation plus complète. C'est pourquoi nous suggérons que le Comité du Programme, qui a préparé ce Congrès, continue à fonctionner à titre de Comité intérimaire, indépendant de toute association, mais utilisant comme siège le Bureau de La Haye de l'Association Internationale des Relations Industrielles. Ce Comité recevrait des suggestions, communiquerait avec les bureaux de recherches existants et préparerait vraisemblablement pour le proche avenir une conférence de représentants des organisations techniques et scientifiques en vue d'étudier la création d'un Centre Economique et Social Universel.

L'Associations Internationale des Relations Industrielles a déclaré depuis le début que ce Congrès n'était pas exclusivement réservé à ses membres, mais était simplement tenu sous ses auspices. Notre intention était - et reste - de rendre possible une large coopération de la part de nombreuses personnalités et associations tout en évitant le danger de se dérober à l'action.

Les fonctions d'un Centre Economique et Social Universel pourraient être les suivantes:

1. Centraliser la direction des recherches, dont il semble préférable de laisser l'éxécution aux organismes nationaux et internationaux déjà spécialisés dans les recherches économiques et sociales. Le Centre n'entreprendrait pas de vastes recherches par lui-même, mais rassemblerait les résultats des investigations, dans quelque région qu'elles aient été conduites.
2. Appliquer les résultats des investigations au domaine pratique, c'est-à-dire agir comme organe d'aménagement économique. Quand un ingénieur étudie la façon de construire un pont, il se reporte aux découvertes scientifiques et les applique à la construction d'un pont susceptible d'assurer le trafic voulu. Ceux qui sont aujourd'hui à la tête des affaires et de l'industrie doivent être instruits des inévitables effets d'une pratique donnée. Ils doivent également apprendre de la science économique et de la gestion scientifique les méthodes permettant d'atteindre un but désiré.

Le but à choisir est naturellement une question de jugement de valeur - de morale sociale et de philosophie. La technique a, cependant, de telles possibilités croissantes dans la vie économique que la conception humaine du but à atteindre par le processus économique doit être amplifiée dans la mesure où le développement futur de la capacité de production est destiné lui-même à se réaliser. En d'autres termes, nous avons fait d'énormes progrès dans la production, mais nous n'avons pas appris à équilibrer la production par le pouvoir d'achat, c'est-à-dire par la distribution. Un Centre Economique et Social Universel conscient des énormes possibilités de l'industrie moderne ne peut avoir d'autre but que la sécurité et l'amélioration progressive des niveaux de vie de tous les peuples. Car ce but est basé justement sur l'idée que les possibilités de l'industrie moderne ne peuvent pas se réaliser tant que l'équilibre ne sera pas maintenu par l'amélioration progressive des niveaux de vie. Cette amélioration des niveaux de vie étant le „facteur conditionnant" central, toutes les recherches concernant l'aménagement économique doivent être orientées vers lui.

En attendant que ces recherches soient organisées, les associations et personnalités qui n'en font pas leur spécialité ont

une tâche importante à accomplir: celle de stimuler l'étude et la discussion des questions qui ont été abordées à ce Congrès. Tous les membres du Congrès, en retournant dans leur pays, ont la possibilité de prendre part à cette tâche en imprimant une nouvelle direction à l'opinion publique, celle-ci devant à son tour servir de base à un changement de mentalité dans l'action politique, en ce sens que les décisions publiques devront être jugées en fonction de leurs effets sur les niveaux de vie dans tous les pays et non pas seulement dans le pays intéressé.

Si le présent Congrès a mis l'accent sur l'Aménagement économique universel, la nécessité d'une action nationale n'est pas pour cela négligée. Au contraire, une nouvelle signification est donnée à l'action nationale, qui doit être guidée par un sentiment nouveau et croissant de l'unité du monde.

SOZIALÖKONOMISCHE PLANUNG DER WELT -

BERICHT ERSTATTET IN DER LETZTEN SITZUNG DES KONGRESSES, VON MARY VAN KLEECK, VORSITZENDE DES PROGRAMM-AUSSCHUSSES, VORSTANDSMITGLIED DES INTERNATIONALEN INSTITUTES FUER BESTGESTALTUNG DER BEZIEHUNGEN IM WIRTSCHAFTSLEBEN, LEITERIN DER ABTEILUNG FUER INDUSTRIELLE STUDIEN AN DER RUSSELL SAGE FOUNDATION, NEW YORK.

Unsere Aufgabe ist äusserst schwierig. Wir sind zusammengekommen aus verschiedenen Ländern mit verschiedenen Wirtschaftssystemen, mit verschiedenen politischen Weltanschauungen, in einer Zeit, da der Wunsch nach Autarkie die Völker von einander trennt, da jedes Volk nach Unabhängigkeit strebt, sei es auch auf Kosten der anderen; doch trotzdem uns solche Zielsetzungen und Einstellungen scheiden, haben wir geglaubt, uns über die gemeinsame Aufgabe der Menschheit aussprechen zu können. Ich möchte nun eine Zusammenfassung versuchen, der, wie ich glaube, der gesamte Kongress beistimmen könnte; und zwar möchte ich den folgenden Doppelgedanken aussprechen, der mir in all unseren Besprechungen wiederzukehren schien:

1. Die gegenwärtige Wirtschaftskrise mit ihren Millionen Leidtragenden in aller Welt erfordert den Einsatz der umfassendsten Erfahrung und Einsicht, über die wir dank der geistigen und technischen Hilfsmittel der Welt verfügen, um der Lösung der gemeinsamen Aufgabe näher zu kommen.
2. Die gemeinsame Weltaufgabe besteht darin, den Lebensstandard aller Menschen zu erhalten und zu heben erstens, durch Erörterung der dringendsten kritischen Fragen; zweitens, durch den Einsatz aller geistigen Hilfsmittel beim konstruktiven Aufbau des Gesellschafts- und Wirtschaftslebens.

Planwirtschaft, der Hauptgegenstand unserer Besprechungen, ist die Bezeichnung für ein bestimmtes Verfahren, dessen Anwendbarkeit auf das Weltwirtschaftsleben erst noch erwiesen werden muss; jedoch seine Grundgedanken sind bereits durch die Bewegung der wissenschaftlichen Betriebsführung ausgebaut worden: seine Hilfsmittel sind einerseits Statistik und

Wirtschaftslehre, anderseits Organisation und Technik.

Dies sind Werkzeuge, die wir alle trotz unserer verschiedenen Anschauungen handhaben können: die Unterschiede erscheinen unwichtig, sobald sie sich in der Zusammenarbeit an einer gemeinsamen Aufgabe verlieren.

Die Reden und Diskussionen des Kongresses haben wesentlich beigetragen zur Klärung der Frage, welche Form eine Welt-Planwirtschaft annehmen sollte. Ueber den wichtigsten, nächstliegenden Punkt, nämlich über das Ziel der Planwirtschaft, bestand allgemeine Uebereinstimmung: sie muss mit Hilfe der Statistik feststellen, wie die Produktionskapazität der Welt zur Hebung des Lebensstandards ausgenutzt werden kann.

In geistiger Hinsicht aber ist es notwendig, dass man inzwischen sich unverzüglich mit der Idee der Planwirtschaft vertraut macht. Im gegenwärtigen Augenblick sehen sich die Völker und ihre Regierungen vor viele Fragen gestellt, die den internationalen Handel beeinflussen: Abrüstung, Kriegsschulden und Reparationen, Zölle, Finanzpolitik, Beziehungen zur Sowjetunion und andere mehr. Wer sich zur Planwirtschaft bekennt, dem lösen sich all diese politischen und finanziellen Probleme auf internationalem Gebiet in die Doppelfrage auf:

1. Worin bestehen im gegenwärtigen Augenblick die wirtschaftlichen Auswirkungen der Rüstungen, der Kriegsschulden und Reparationen, der Zölle, der Finanzpolitik, der Haltung gegen die Sowjetunion?
2. Welche diesbezüglichen Massnahmen sind zu treffen, damit im Wirtschaftsleben wieder Ordnung eintritt und der ökonomische Fortschritt einsetzen kann?

Wenn es gelingt, das öffentliche Interesse in steigendem Masse auf diese Fragen hinzulenken, und wenn sich die öffentliche Meinung kraft des Gemeinsinns dazu bestimmen lässt, alle politischen Massnahmen nach ihrer Wirkung auf den Lebensstandard zu beurteilen, dann wird es alsbald möglich sein, die technischen Errungenschaften in den Dienst dieser Aufgaben

zu stellen. Mit anderen Worten: die unmittelbaren Ziele politischer Massnahmen müssen im Hinblick auf ihre sozialen Wirkungen neu festgelegt werden, und die technischen Verfahren zur Erreichung des gewünschten Zwecks müssen von den Technikern ausgearbeitet werden.

Wie alle Worte, die für verschiedene Menschen eine verschiedene Nebenbedeutung haben, muss sich auch der Begriff „Planwirtschaft" verschiedene Auslegungen gefallen lassen. Als wir diesen Kongress einberiefen, hatten wir keine strenge Definition des Wortes im Sinne. Wir dachten nicht an einen Ausschuss, der nun plötzlich die Angelegenheiten der Welt in Ordnung bringen würde; wir dachten nicht an eine strenge Formel; wir hatten vielmehr ganz im allgemeinen die Idee der Planwirtschaft im Sinn. In einer hochkomplizierten Zivilisation, die mit wachsender Ausbreitung immer komplizierter wird, ist es doch gewiss unmöglich, ohne Planung auszukommen.

Planwirtschaft, wie wir sie diskutiert haben, ist eine neue Idee, eine neue geistige Errungenschaft; sie befreit uns von den Aengsten und Schwierigkeiten, die unsere widerstreitenden Interessen mit sich bringen.

Das soll keine Antwort auf diese Streitfragen sein, sondern nur ein Hinweis darauf, dass man die politischen Probleme gemäss ihrer Verknüpftheit mit wirtschaftlichen Tatsachen ganz neu begreifen muss; dies ist der erste Schritt zu planmässiger Wirtschaftsgestaltung. Es heisst die verfügbaren Methoden rationalen Vorgehens verschmähen, wenn man blind daraufloshandelt und dabei verkennt, dass jede Massnahme auf politischem Gebiet weitreichende Folgen für das Wirtschaftsleben der Welt nach sich zieht.

Als unser Kongress so viele schwierige Themen auf sein Programm setzte, geschah es nicht in dem Glauben, eine blosse oberflächliche Diskussion könne ausreichen; vielmehr in der Ueberzeugung, dass die sachkundige Mitarbeit vieler Menschen mit grosser technischer Erfahrung zur Lösung dieser Probleme

nötig sei.

Freilich, wenn es heute grosse Führer gäbe - Persönlichkeiten die uns sagen könnten, wie man die Welt in Ordnung bringen könne -, so wäre uns allen eine grosse Verantwortung abgenommen. Doch offensichtlich ist die Zeit der grossen Führer vorbei und der Tag ist gekommen, da wir den einzelnen Führer durch Gruppenführerschaft ersetzen müssen.

Es gibt zwei Gründe, warum ein Kongress von Durchschnittsmenschen - wenn ich uns als solche beschreiben darf, ohne die Kenntnisse und Fähigkeiten unserer hervorragenden Kongressteilnehmer herabzusetzen - sich mit Dingen befasst, die zunächst ausschliesslich als Sache des Fachmanns erscheinen könnten. Der erste Grund: wir müssen heute handeln, wir müssen die Oeffentlichkeit aufs nachdrücklichste beeinflussen. Der zweite Grund: die Techniker neigen dazu, in strengster Abgeschlossenheit zu arbeiten; aber die heutige Zeit verlangt Zusammenarbeit an einer gemeinsamen Aufgabe. Deshalb haben wir die Vertreter des öffentlichen Lebens mit den Fachleuten zusammengebracht in der Absicht, eine Verbindungsbrücke zu schlagen; statt dass viele Spezialisten für sich arbeiten, soll jeder seine Funktion im Hinblick auf das gemeinsame Ziel zugewiesen erhalten.

Planwirtschaft ist keine einfache Sache. Alle, die sich damit beschäftigen wollen, brauchen einen gemeinsamen Mittelpunkt. Es ist äusserst wichtig, dass die Befürworter einer nationalen Planwirtschaft in den verschiedenen Ländern mit einander in enge Berührung kommen. Jede nationale Planung sollte im Hinblick auf Weltzusammenhänge betrachtet und betrieben werden, denn ohne Berücksichtigung internationaler Faktoren ist eine durchgreifende nationale Planwirtschaft unmöglich. Mit innerstaatlichen Massnahmen sollte ein sorgfältiges Studium einer künftig durchzuführenden Welt-Planwirtschaft Hand in Hand gehen.

Zu diesem Zweck brauchen wir ein Weltforschungsinstitut; seine Aufgabe wird es sein, die Errungenschaften der Techniker zu sammeln und gegeneinander auszugleichen, ihre Aufmerksamkeit auf Probleme allgemeiner Art zu lenken, die für Planwirtschaft benötigte Statistik zu vereinheitlichen und eine grössere Genauigkeit in den Methoden der Wirtschafts- und Sozialforschung herbeizuführen.

Dazu wird die Mitarbeit vieler Verbände und Einzelpersonen nötig sein, die auf unserem Kongress nicht zugegen waren. Die Kongressteilnehmer sind sich der Dringlichkeit sofortiger Massnahmen bewusst, doch eins ist klar: wird im jetzigen Augenblick das Vorgehen auf allzu strenge Formeln festgelegt, so könnte dadurch eine Erfüllung auf breiter Grundlage in naher Zukunft verhindert werden. Deshalb ist folgender Vorschlag gemacht: der Programm-Ausschuss, der diesen Kongress einberufen hat, soll für kurze Zeit als Interimsausschuss fungieren; er soll unabhängig von allen Verbänden arbeiten, aber das Haager Büro des Internationalen Instituts für Bestgestaltung der Beziehungen im Wirtschaftsleben als seine Adresse benutzen. Dieser Ausschuss würde Vorschläge entgegennehmen und mit Forschungsstellen in Verbindung stehen; wahrscheinlich würde dann bald eine Zusammenkunft von Vertretern technischer und wissenschaftlicher Organisationen arrangiert, um die Frage zu prüfen, wie ein sozialökonomisches Weltzentrum zu schaffen wäre.

Die I. R. I. hat von Anfang an betont, dass dieser Kongress keineswegs nur als Treffpunkt für seine Mitglieder gedacht sei, dass sie vielmehr nur die Leitung übernommen habe. Die Absicht war und ist, eine weitgehende Zusammenarbeit vieler Einzelpersönlichkeiten und Verbände zu ermöglichen und gleichzeitig der gefährlichen Untätigkeit auf diesem Gebiet ein Ende zu machen.

Die Aufgaben eines Zentralinstituts für Weltwirtschaft wären etwa die folgenden:

1. Die Forschungen von einer Stelle aus planmässig

zu organisieren, wobei die Untersuchungen zweckmässig von nationalen und internationalen Forschungsorganisationen betrieben würden. Das Zentralinstitut selbst würde keine ausgedehnte Forschungstätigkeit entfalten, sondern die Untersuchungsergebnisse von überallher sammeln.

2. Dafür zu sorgen, dass sich die theoretischen Untersuchungen auf die Praxis auswirken, d.h. als „Planungsgruppe" zu dienen. Wenn ein Ingenieur eine Brücke zu bauen hat, so macht er sich dabei die wissenschaftlichen Errungenschaften zunutze und bedient sich ihrer beim Bau seiner Brücke, die die Lasten des Verkehrs tragen soll. Die Verantwortlichen in Handel und Industrie müssen sich heute über die unvermeidlichen Konsequenzen ihrer Art zu handeln klar werden, sie müssen von Wirtschaftslehre und wissenschaftlicher Betriebsführung lernen, auf welche Weise man ein erstrebtes Ziel erreicht.

Welches Ziel gewählt wird, ist natürlich eine Wertfrage - eine Frage der Sozialethik und der Weltanschauung. Die Technologie hat jedoch die Möglichkeiten im Wirtschaftsleben derartig vermehrt, dass wir unsere Vorstellungen vom Endziel der Wirtschaft erweitern müssen, wenn eine Steigerung der wirtschaftlichen Kapazität erreicht werden soll. Mit andern Worten: Wir haben auf der Produktionsseite ungeheure Fortschritte gemacht, aber wir haben nicht gelernt, entsprechende Fortschritte in der Verteilung, d.h. in der Anpassung der Kaufkraft an die Produktionsmöglichkeiten zu machen. Ein Zentralinstitut für Weltwirtschaft kann angesichts der ungeheuren Möglichkeiten der modernen Industrie kein geringeres Ziel ins Auge fassen als Sicherung und fortschreitende Verbesserung des Lebensstandards aller Menschen. Diese Zielsetzung beruht auf folgender Ueberlegung: die Möglichkeiten der modernen Industrie können nur dann verwirklicht werden, wenn das Gleichgewich zwischen Kaufkraft und Produktion eben infolge dieser fortschreitenden Verbesserung des Lebensstandards aufrecht erhalten wird. Diese Verbesserung des Lebensstandards ist das stärkste „treibende Moment", und deshalb muss sie das Ziel aller Forschung und Planung bilden.

Inzwischen haben alle Verbände und Einzelpersonen, die nicht Techniker sind, eine wichtige Aufgabe zu erfüllen; sie sollen nämlich zur Erforschung und Diskussion dieser Probleme anregen in der Richtung, die wir auf unserem Kongress eingeschlagen haben. Alle Kongressteilnehmer können nach der Rückkehr in ihre Heimat darauf hinwirken, dass die öffentliche Meinung sich umstellt in dem Sinne, künftig alle politischen Massnahmen daraufhin zu prüfen, wie sie im eigenen Lande und in allen Ländern den Lebensstandard beeinflussen.

Wenn unser Kongress die Weltwirtschaftsplanung in den Vordergrund gerückt hat, so darf doch die Notwendigkeit einzelstaatlichen Vorgehens nicht unterschätzt werden. Der einzelstaatlichen Aktion kommt neue Bedeutung zu, wenn sie sich von dem neuen wachsenden Bewusstsein ihrer Weltverbundenheit leiten lässt.