

devoted to quotations from statutes and congressional hearings, but the author might at least have mentioned them.

It has become fashionable of late to dismiss proposals for change by tagging them with labels intended to discourage serious consideration of such proposals. So far as is known, Mr. Ballard's booklet represents the first attempt to deal with patent problems in this manner. No evidence whatsoever has been advanced to support the contention that proposals for revamping the patent system reflect a conspiracy against property rights. To the extent that such expressions as "un-American" have any meaning, they presumably characterize prevalent accepted theories of Americans in a given field. If the British, Dutch, French, and Germans or others for that matter, hold similar views—and they certainly do so far as the notion that a patent is a property right is concerned—conflicting views, such as the Jeffersonian concept of a patent as a franchise become not only "un-American" but also "un-British," "un-Dutch," "un-French," "un-German," and so forth. Such an approach contributes no more to an understanding of the problem than do derogatory remarks about the ancestry of one's opponents.

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Concept of the Corporation. By Peter F. Drucker. New York: John Day and Co., 1946. Pp. ix, 290. \$3.00.

Often a judge must feel a flush of pleasure when he at last picks up a pleading which points out the issues in the case. The brief may be clumsy, the style turgid, and the judge frequently feels that he himself could have said it much better and supplied a better interpretation of this or that facet. Nonetheless, he has seen the issues at last. Such, I think, will be the reaction of many readers on first reading Mr. Drucker's essay. Here is the anatomy of an institution laid out in 290 pages of erratic text, unpleasant style, and often unfathomable prose. But with patience in reading, one learns that a social scientist has analyzed a dominant institution of our time in terms of its relations to human beings instead of its relation to other institutions.

Mr. Drucker spent eighteen months in the employ of General Motors as a managerial consultant. This book is his personal interpretation of the data he gathered there. As a consequence it is largely concerned with the internal structure of General Motors, instead of with its relations to the American economy. This means that his economic analysis is less well-prepared, and it is at this point that he is least convincing. This reviewer feels more sympathetic to the author's point of view than to that of any other social scientist he has read recently; but a better case for Big Business can be made than the one Mr. Drucker has made.

Mr. Drucker's analysis of GM in particular happens to be accidental; but he could not have picked a better subject for dissection. GM is not a regulated utility, such as A T & T, and it is not a family business like Ford. It is in what is still a relatively competitive field, and hence does not exhibit the peculiar characteristics of ALCOA. It is young enough to be comparatively rational, and hence lacks the weight of custom and tradition binding on the railroads and U.S. Steel. GM combines such features as vertical integration, assembling of purchased parts, and retail sales. It impinges upon about every class with which we are concerned in economic analysis. And, furthermore, it is self-consciously and rationally organized. After reading Mr. Drucker's work, and realizing that such a person as Mr. Drucker was hired at all, this reviewer is prepared to smile a wry smile whenever the next GM officer rises to denounce a planned economy.

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General Motors is treated as an example of the large industrial corporation. And this large industrial corporation is measured by the standards by which any institution is measured: its capacity to perform its ostensible function (that of producing good automobiles); its capacity to perpetuate itself (that is, to train its own leaders and lieutenants); its capacity to adapt itself (that is, to accept new techniques and anticipate them); its capacity to perform its social function (that is, to provide dignified work for its employees and give them status in the larger society in which they live). This is a tall order of analysis, and it cannot be said that Mr. Drucker is successful in all parts of it.

Nevertheless, there are large parts of *Concept of the Corporation* which are certainly stimulating and, to this reviewer at least, original. For example, the mass-production economy is divided into its essential features: "standardization and interchangeability of parts; a principle of production which sees each process as a composite of elementary and unskilled manipulations; and a principle of materials control which aims at bringing all pieces needed for any given step of the operation to the operator at the same time."¹ One assumption, implicit in the work of Henry Simons and Thurman Arnold, is left out of Mr. Drucker's analysis. He does not assume that goods are produced by machines. He understands that goods are produced by human organizations, whose size, efficiency, and political position will be determined or influenced by the techniques available. This evaluation of the corporation as a social organism is the most arresting and persuasive part of *Concept of the Corporation*. The author is not, to be sure, directly concerned with proposals to change GM into a series of discrete units; but he treats in detail the advantages of the GM Central Management system and weighs them against the disadvantages. He recognizes that a human organization must be able to supply its own leaders, and he knows that an organization as large as GM cannot take leadership for granted. He manages to cast considerable doubt on the distributist assumption that the small unit can take leadership for granted. He writes in detail of the foremen's problems and the lack of a satisfactory "citizenship" in General Motors for its lower and middle classes. In short, he presents GM as an institution which lives in a human environment and not in the emotional vacuum postulated for the social mechanics of Henry Simons.

Mr. Drucker is one of several writers who have recently become fashionable as leaders of social thought. He is not as convincing as Elton Mayo, nor as profound, but both he and Mayo exhibit a desire to save the world in 200 pages. Both Mayo and Drucker look upon the problems of industrial morale and industrial efficiency as ubiquitous; for all practical purposes, the same questions arise in the same way in Detroit and Stalingrad. They arise out of the relationship of men to machines, and not of men to employers. Recent years have shown that when these questions go unanswered for too long a time, the entire productive process can become moribund. And because any change from one position to another cannot but affect these questions, the probable effect of a given reform on the psychology and political vitality of an organization should be calculated by sophisticated men of ideas. At a time when no significant group, be it liberal, conservative, radical, or reactionary, is content with our existing society, this is a salutary inquiry.

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