



The Life and Writings of Stuart Chase (1888-1985) From an Accountant's Perspective

Richard Vangermeersch

Studies
in the Development
of Accounting Thought
Volume 8

THE LIFE AND WRITINGS OF
STUART CHASE (1888–1985)

STUDIES IN THE DEVELOPMENT OF ACCOUNTING THOUGHT

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VOLUME 8

**THE LIFE AND WRITINGS
OF STUART CHASE
(1888–1985)
FROM AN ACCOUNTANT'S
PERSPECTIVE**

RICHARD VANGERMEERSCH

University of Rhode Island, USA

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*This book is dedicated to
Sonia Chase Hodson
The Valiant Keeper of her Father's Flame*

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PREFACE

A book is completed, and it is never complete. Stuart Chase was a man with many hats. It is necessary to write the first book about him from an accountant's perspective before the second, third, and fourth books are written about him.

Stuart Chase gives much needed knowledge to words and terms such as "Waste," "Capacity," "Federal Capital Budget," "Deficits," "Profits," "Communication," "Utopias," "Utopians," "Planners," "Organizational Ethics," "Human Relations," and many other. This book is a good start for readers to get a holistic look at the very encompassing mind of Stuart Chase.

Read his articles, reviews and books. Perhaps, you might try a replication of such books as *The Tragedy of Waste* and *Your Money's Worth*. Remember Stuart Chase was not only a critic, he was a doer as well. He was the co-founder of the Consumer Union and its Consumer Reports.

The writer has spent seven years on this quest of relating Stuart Chase to the new millennium in general and to accounting professors, students, and practitioners specifically. Chase after Chase. You and society will be well rewarded.

Richard Vangermeersch

INTRODUCTION

There is no problem deciding to start a book on the life and writings of Stuart Chase. There is a problem deciding when to stop a book on the life and writings of Stuart Chase. He lived to the age of 97. He wrote his first published piece in 1914 and his last in 1981. Hence, he published in eight decades of the 20th century.

What is more, Stuart Chase published in many different venues on many topics. He wrote numerous books, pamphlets, reports, and book reviews. His works were often reviewed as well. In addition, he received press and news magazine coverage, as well as some academic-type reviews in a dissertation by Lanier in 1970, in many books, various papers, and many articles. The Library of Congress houses a special collection of his papers.

Stuart Chase's father, Harvey Stuart Chase, was a very well published and premier public accountant of the very end of the 19th century through the first 40 years of the 20th century. Stuart Chase was a ninth generation descendent of Aquila Chase, who arrived in the United States in about 1640 and who had 20 descendents listed in the index for *The National Cyclopedia of American Biography* (1984, p. 93). Stuart Chase was not listed as a descendent in the index, perhaps because he was a later entry in the *Cyclopedia*. Salmon Portland Chase (1808–1873), Secretary of the Treasury during the Civil War and later Chief Justice of the Supreme Court, and Irah Chase (1793–1864), a Baptist educator, were referenced as descendents of Aquila Chase in the 1930 edition of the *Dictionary of American Biography* (pp. 27–34 and 25–26, respectively). Hence, Aquila Chase had, at least, 23 descendents of some note.

A complete biography and analysis of the life and writings of Stuart Chase would encompass a book of 1,000 pages, at least. Quite frankly, this

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is beyond the scope of the writer. However, the writer has a very good perspective of the length of the time span of Stuart Chase's life and writings, as well as the various periods of his life. The writer, like Stuart Chase, has had a relatively long time of practical experiences in accounting as a public accountant, a cost/industrial accountant, a government accountant with the U.S. General Accounting Office (now U.S. Government Accountability Office) and with N.A.S.A., an internal auditor for a Fortune 500 Company, long-time treasurerships for two not-for-profits, an accounting trainer for the American University in Cairo, and some various consulting experiences with pharmacies, and with a funeral home. The writer has spent the last 40 years in various efforts in the history of accounting with special emphasis on the history of annual reports and accounting and on the history of cost/management accounting. Like Stuart Chase, the writer is both well read and well schooled in the "social sciences." The writer is very well schooled in the 20th century social and political history of the United States. The writer's various publications on Alexander Hamilton Church have been credited with bringing back Church's writings to the practice of cost/management accounting. The writer believes he should and can do the same for Stuart Chase.

The writer hopes that this work will be a model for similar books on the various thrusts that Stuart Chase had through the years. After much soul-searching, the writer has decided to focus on an annotated bibliography of the writings done by and about Stuart Chase from an accountant's perspective. At the same time, the writer will present an overview of the life and

Table 1. 15 Key Topics on which Stuart Chase Focused.

T1	Accounting, Budgeting, and Taxation
T2	Atomic Science
T3	Business
T4	Capacity
T5	Communications
T6	Consumer Affairs
T7	Human Relations
T8	Machinery
T9	Planning
T10	Resource Management
T11	Social Sciences
T12	Training
T13	U.S.S.R.
T14	Waste
T15	Zoning

Table 2. 15 Key Attributes of Stuart Chase.

A1	Egalitarian
A2	Ethical
A3	Family-Oriented
A4	Free Spirit
A5	Generalist
A6	Internationalist
A7	Literate
A8	Pacifist
A9	Political Economist
A10	Popularizer
A11	Progressive
A12	Radical
A13	Social Activist and Critic
A14	Socialist
A15	Utopian

writings of Stuart Chase and will present a detailed chronology of Chase's life and writings in an appendix.

The writer has chosen 15 key topics on which Stuart Chase focused through the years and 15 key attributes of Stuart Chase. The 15 key topics are presented in Table 1. The 15 key attributes are presented in Table 2.

While the 15 key topics and 15 key attributes are subjective and, hence, somewhat debatable, the stages or periods of Stuart Chase's life and writings appear to be more clear cut. The seven stages are: (1) General Background and Accounting, 1888–1917; (2) World War I with the Federal Government, 1917–1920; (3) A Voice in the Wilderness, 1921–1929; (4) Depression and the New Deal, 1930–1941; (5) World War II, 1942–1945; (6) Writing for the General Public, 1946–1968; and (7) The Last Years, 1969–1985. Stuart Chase seemed to take on substantially different roles in each stage but there still were major threads connecting the key topics and the key attributes through the years.

Chapter 2 reviews the seven stages of Stuart Chase's life and writings. Appendix A contains a chronology of Stuart Chase. Both should give the reader a holistic view of Stuart Chase. Chapter 3 is a review of selected writings by and about Stuart Chase in Stages 1 and 2, 1914–1920. Chapter 4 is a review of Stage 3, 1921–1929, and Chapter 5 covers Stage 4, 1930–1941. Chapter 6 reviews selected writings for Stage 5, 1942–1945; Chapter 7 covers Stage 6, 1946–1968. Chapter 8 includes the last years of Chase's life, 1969–1985. Conclusions are presented in Chapter 9.

This book has had a long gestation period with many different research steps. The book was also in a long holding pattern, as the manuscript on Harvey Stuart Chase was being written. In Step1 the writer's memory about Stuart Chase was jogged in 1998, as the writer was reading – and then subsequently reviewing – Previts and Merino's second edition of *A History of Accountancy in the United States: The Cultural Significance of Accounting* (1998). Previts and Merino referenced Stuart Chase in a paragraph about the Technical Alliance organized by the technocrat H.A. Scott in the early 1920s. Previts and Merino wrote:

...Scott, with his call for "neutral data," did not present a direct challenge to accountants. Stuart Chase, a third generation CPA and one of the original organizers of the alliance, did. Chase had technical expertise viewed as "very dangerous" by members of the profession (240).

This passage was reinforced by the writer's noticing and then buying in a favorite old bookstore in Providence for \$1.95 a copy of *Your Money's Worth*, written in 1927 by Chase and Frederick J. Schlink.

In Step2, the writer searched for publications by Stuart Chase in such standard sources as: (1) *The Accountants' Index*; (2) *Readers' Guide to Periodic Literature*; and (3) *National Union Catalog*. Many publications were noted. For Step3, biographies for Stuart Chase were noted in *Who Was Who in America* and *The National Cyclopedia of American Biography*. Step4 was the preparation and presentation of a paper "A Preliminary Data Base for Stuart Chase (1888–1985): A Posthumous Nominee for the Accounting Exemplar Award," which was given in April 1999 in Rochester, NY at the Northeast Regional Meeting of the American Accounting Association. This presentation received very favorable comments and spurred the writer to learn more about Stuart Chase.

Step5 was a visit to the Mark Twain Library of Redding, CT – the long-time hometown of Stuart and Marian Chase. A librarian gave the writer the addresses of nearby residents who knew Stuart Chase very well. Each of them was contacted with the hope of finding a great deal more data on him, as well as clues as to the whereabouts of his family. Some very kind people responded and one of them gave the writer the address and phone number of Stuart Chase's daughter, Sonia Chase Hodson. Step6 involved the first contacts with the family of Stuart Chase. Sonia has been immensely helpful in phone calls, letters, and one visit with the writer, who subsequently spoke with Alan Hodson – Sonia's son – and Bryce Hodson – Sonia's grandson.

Step7 was the presentation of the April 1999 paper at the August National Meeting of the American Accounting Association in San Diego. Again, the

response was also quite positive but the writer also noted interest in the substantial efforts of Harvey Stuart Chase, the father of Stuart Chase. With the centennial of the Massachusetts Society of CPAs coming in 2000 and with Harvey Stuart Chase's writings limited to accounting and finance, the writer's Step8 was a long, but profitable, detour to write *An Analysis of the Life and Writings of Harvey Stuart Chase (1861–1946) Along with Selected Readings* (2002). This was probably not so much as a detour but a companion trip, as understanding Harvey Stuart Chase and his family led to a deeper understanding of Stuart Chase.

Step9 was a research visit to the Franklin Delano Roosevelt Library at Hyde Park, NY, which further tied Harvey Stuart Chase and Stuart Chase to F.D.R. Step10 was the adding to filings on the writings of and about Stuart Chase. This step never seems to stop, as more and more articles and books are noted and found. In Step11 the writer has been helped by a former colleague, an emeritus economics professor, Joel Dirlam of the University of Rhode Island. Joel has been immensely helpful in researching and discussing the various political economists who had influenced Stuart Chase, including John Ruskin and Thorstein Veblen. Step12 was the reading of Jim Lanier's dissertation, *Stuart Chase: An Intellectual Biography (1888–1940)*.

In Step13 Joel Dirlam and the writer met with Alan Hodson and his co-author, John Carfora, for further input on Stuart Chase. There was a very profitable sharing of both ideas and resources, which is still continuing. Step14 was a trip to Harvard's Institutional Archives to research Stuart Chase's two years there. Step15 was the viewing of the Stuart Chase Special Collection at the Library of Congress.

Why should accounting academics and professionals learn more about Stuart Chase from an accountant's perspective? Here are some brief answers to that question. Stuart Chase represents a role model for some potential accounting majors with a great interest on the social good that accountants and accounting can do for society. Stuart Chase shows that an accountant can be an extremely literate member of society and that the training in accounting details is a very significant help in action-oriented solutions for social issues. Stuart Chase illustrates that social activism and social criticism are more successful if detail is mastered. Chase's long time interest in technology, machinery, and capacity give examples that can be used today and tomorrow both in accounting academic theory and in accounting practice.

Stuart Chase showed an interest in many areas of accounting: financial accounting; cost accounting; governmental accounting and budgeting; and personal and corporate taxation issues. He also illustrated the significance of human relations in the quest to attain a successful organization. There are

enough clues to ascertain the solutions Chase would have proposed for current accounting issues. Both accounting academics and accounting practitioners will be motivated to read Chase's *The Tragedy of Waste, Your Money's Worth*, and *Idle Money, Idle Men*. Just as important would be the updating of Chase's major efforts, so to make current the wisdom that he exhibited. Stuart Chase shows how Utopians (the writer has developed the term "neo-utopian" to describe Stuart Chase) can solve problems if they are "fact oriented." These interests are just part of the excitement that Stuart Chase brought, not only to accounting, but also to the world.

The writer realizes that he is not presenting Stuart Chase in all his glory. The writer also realizes that he had to make significant judgments about which writings to annotate and which writings not to annotate. He has taken fairly broad definitions for accounting and for an accountant's perspective. There are many direct quotes from Stuart Chase in the text so that the reader is able to read what Chase said without the tedious search through all of Chase's writings. The writer hopes the reader will be so entranced by Chase that he will study some of the annotated items and that others will study the key topics and key attributes of Stuart Chase. If this does not come to pass, at least this book will be out there in the literature and Stuart Chase, hopefully, will be in the thought processes of more people.

A BRIEF REVIEW OF THE SEVEN STAGES OF THE LIFE AND WRITINGS OF STUART CHASE, FROM AN ACCOUNTANT'S PERSPECTIVE

This brief review is mostly based on the extended review of the life and writings of and on Stuart Chase noted in Appendix A. As most of the items on this chapter are referenced in this appendix, there will be limited references in Chapter 2. As a result, this chapter is more in the nature of a selected life story than a traditionally referenced academic piece. This writer believes readers will want to study Appendix A but he did not want to include such a long appendix immediately after Chapter 2. Hence, Appendix A follows the concluding chapter.

STAGE 1 GENERAL BACKGROUND AND ACCOUNTING, 1888–1917

Stuart Chase was born on March 8, 1888, in Somersworth, NH, the son of Harvey Stuart Chase, then a fledgling engineer and soon to be a noted public accountant, and Aaronette Rowe Chase. For those interested in Harvey Stuart Chase, the writer recommends *An Analysis of the Life and Writings of Harvey Stuart Chase (1861–1946) Along with Selected Readings* (Vangermeersch,

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Table 3. List of 20 Descendents of Aquila Chase Not Including Stuart Chase, from the *National Cyclopedia of American Biography* (1984, p. 93) with References to Volumes and Pages.

Charles, A., banker	28:229
Charles, E., underwriter	16:387
Charles, W., utilities executive	34:101
Dudley, statesman	8:178
Sherman, E., sanitary engineer	55:54
Edward, A., editor	20:294
George, lawyer, educator	20:233
George, H., archaeologist, educator	40:238
George, L., underwriter	16:386
Harvey, S., accountant	18:64
Henry, S., merchant	20:310
Horace, G., business executive	33:196
Howard, A., horticulturist	22:292
Lewis, educator, author	28:237
Philander, bishop	7:1
Pliny, E., astronomer	6:53
Richard, V., manufacturer	52:283
Thomas, educator	9:554
Walter, G., physician	38:381
William, T., clergyman	6:340

Table 4. Two Descendents of Aquila Chase Listed in the 1930 Edition of the *Dictionary of American Biography*.

Irah, educator	pp. 25–26
Salmon Portland, statesman, jurist	pp. 27–34

2002). As noted in Chapter 1, Stuart Chase was a descendent (9th generation) of Aquila Chase, who came to this country in about 1640 (Institute of American Genealogy, undated) and who had, at least, 23 noted descendents. They are included in Tables 3 and 4 at the end of this chapter. Of those descendents, the undated report of the “Historical and Biographical Sketch of the Chase Family” sent to the writer by Sonia Chase Hodson included: Charles E. Chase; George Henry Chase; and Harvey Stuart Chase (pp. 4–6).

This genealogy is significant for this book only because Stuart Chase never mentioned any of these descendents except Harvey S. Chase. Sonia Chase Hodson and her son, Alan, also based their recollections of their noted Chase ancestors on the “Historical and Biographical Sketch of the Chase Family.” While Stuart Chase was family-oriented, he clearly was not

motivated by a desire to keep up with the noted descendants. However, Stuart Chase was influenced by his more immediate family.

Stuart Chase went as far back as to his great-great grandfather (most likely Benjamin, 1759/60–1826) of Newburyport (Chase, 1926, September 1). Stuart Chase's great-grandfather (Deacon Samuel Chase, 1788–1871) was the founder of the family business of shoe manufacturing and of commercial goods (Vangermeersch, 2002, p. 13). Stuart Chase's grandfather (Robert Stuart Chase, 1831–1916) was involved with the family businesses with his brothers (George S. Chase, an early CPA and later a partner of Harvey Stuart Chase; and Charles W. Chase, later a banker and financier). R. Stuart Chase became a public accountant/auditor in 1873 after the family business was ended by the Panic of 1873. In 1895, he transferred his accounts to George S. Chase, who in 1897 became affiliated with Harvey S. Chase. R. Stuart Chase was a founder of the long-lasting literary and philosophical Monday Evening Club in Haverhill, MA. R. Stuart Chase's three sons – Harvey S. Chase (1861–1946); Arthur Taft Chase (1865–1955) also a CPA with his brother's firm and a member of the Monday Evening Club; and Clifford Hoffman Chase (1871–1935) – also had strong interests in the written and spoken word. Sonia Chase Hodson said her father was heavily influenced by the literary interests of his uncles and the vast library of his grandfather (Vangermeersch, 2002, pp. 13–26).

Stuart Chase graduated from Newton High School in 1906 and spent 2 years in the general course at M.I.T. In 1907, his family went to Europe for the Summer. In 1908, he transferred to Harvard. A review of his transcript indicated his grades were good and he graduated cum laude. He was awarded a Harvard College Scholarship in 1909 (Harvard Catalog, 1909–1910, p. 262). The specific grades from his transcript and descriptions for the economics courses from the *Harvard Catalog* were:

1908–1909

Econ 4 Statistics – Theory, Method, and Practice. Professor Ripley. A
Econ 18 Principles of Accounting. Professor Cole. A
Econ 9a1 Problems of Labor. Professor Ripley. B
Econ 9b2 Economics of Corporations. Professor Ripley. B

1909–1910

Econ 5.1 Economics of Transportation. Professor Ripley. A
Econ 6b2 Economic and Financial History of the United States. Professor Gay. Excused from final.

Econ 7.2 Public Finance, considered with special references to the Theory and Method of Taxation. Dr. Huse. Excused from final.

Econ 8b2 Banking and Foreign Exchange. Assistant Professor Sprague. Excused from final.

Econ 16.1 American Taxation. Professor Bulloch. B

Econ 21.1 Principles of Law Governing Industrial Relations. Professor Wyman. B

Two of Stuart Chase's professors in the economics courses are well known in accounting history. William Morse Cole (1866–1960) had just published his classic, *Accounts, Their Construction and Interpretation* in 1908, and in 1910 published *Accounting and Auditing*. He was most noted for his “where-got, where-gone” statement – an early version of the “Funds Statement” (Chatfield, 1996, p. 131; Vangermeersch, 1996, p. 265; Previts & Merino, 1998, p. 222, pp. 295–296). William Z. Ripley (1867–1941) was the author of *Railway Problems* in 1907. He authored two other classics about railroads: *Railroads: Rates and Regulation* (1912) and *Railroads: Finance and Organization* (1915). His classic *Main Street and Wall Street* was published in 1927. That book was a precursor of Adolf A. Berle, Jr. and Gardiner C. Means' book, *The Modern Corporation and Private Property* (1932) (Miranti, 1996, pp. 502–505). During the writer's search through the Stuart Chase Papers at the Library of Congress, he noted an October 1936 letter from Ripley to Chase. In it, Ripley wrote:

...I want to tell ye, how proud I am of ye, Son. You and A Square Berle (A² – not AAA) are the two biggest stars in my own (not Haydens) planetarium. ... (Library of Congress, Stuart Chase Papers, Container No. 1).

Stuart Chase shared a room (or an apartment) with his cousin, Gardner Ward Chase (who also became a CPA) and perhaps another cousin. As such, Stuart Chase was not in the mainstream of the Class of 1910, which included such notable graduates as: Chester Irving Barnard; Heywood Campbell Broun; Bronson Cutting; Hamilton Fish, Jr.; Walter Lippman; and John Silas Reed.

Stuart Chase joined his father's public accounting firm in 1910. Stuart Chase soon had the great chance of working with his father in Washington, DC, as Harvey Stuart Chase became one of the six members of President William Howard Taft's Commission on Economy and Efficiency for the federal government. Although Stuart Chase failed his first sitting for the CPA exam, he passed it and became a partner in his father's firm in 1916.

At the same time period from 1910 through 1917, Stuart Chase was trying to fulfill his yearning to be a positive force in the world. His father, at that time, was an accountant with a local, national, and even international reputation for excellence and creativity in accounting. Stuart Chase turned to a series of social activisms, ranging from his uncle Arthur's interest in Henry George's Single Tax Movement, to the Boston Fabian Club, to Socialism, and to Pacifism at the start of the United States' participation in World War I ("Portrait of a Radical," 1924, pp. 295–298). The writer has great sympathy with Stuart Chase during this period and can understand why he could not then equate accounting with his quest for great social achievement in the world. A sign of that quest was Stuart and Margaret Chase's *Honeymoon Experience* (1916) written about their honeymoon experiences posing as an unemployed couple in Rochester, NY.

STAGE 2 WORLD WAR I, WITH THE FEDERAL GOVERNMENT, 1917–1920

Stuart Chase joined the Federal Trade Commission (FTC) and was sent to Chicago to take charge of the investigation of Armour & Co. This led to a general investigation of the meat industry. At this time, he became active at the Chicago Hull House with the noted social activist, Jane Addams. In 1918, he was transferred to the Food Administration of Herbert Hoover and placed in local charge of the project "Control of Packers' Profits under Wartime Regulations." After the end of World War I, he rejoined the FTC and wrote the volume "Profits of the Packers" for the FTC. Stuart Chase felt his efforts in "Profits of the Packers" led to his dismissal from the FTC in late 1920. During this time span, he started his great interest in the happenings of the U.S.S.R.

STAGE 3 A VOICE IN THE WILDERNESS, 1921–1929

Stuart Chase relocated to New York City. He became involved for a short time with the Technical Alliance of Howard Scott and of Thorstein Veblen. Chase also had a much longer involvement with the Labor Bureau, an organization that provided studies for various labor unions and labor union cooperatives. He also wrote for the International Textbook Company and practiced accounting at his father-in-law's significant businesses in stamps

and coins. Royalties became a significant income flow, as he wrote two very significant and well-selling books: *The Tragedy of Waste* (1925) and with Frederick Schlink (1927) *Your Money's Worth*. This book led Chase and Schlink to very successful foundings of Consumers' Research, Inc., and of *Consumer Reports*.

In addition to the writings and influences of Veblen, Chase made much use of the concept of "illth" – an idea of the 19th century writer John Ruskin in art and, some would say, also in political economy (Ruskin, *Munera Pulveris*, 1889, p. 26). Chase went to the U.S.S.R. in 1927 as a consulting economist for an unofficial American trade union delegation. This trip had as its key event a long group interview with Joseph Stalin. Along with a co-member of the group, Rex Tugwell, Chase would become stereotyped as a "fellow traveler" for many, many years by aggressive conservative critics. In 1929, his book *Prosperity: Fact or Myth* put Chase in the role of a predictor of the Great Stock Market Crash of 1929 and put him on center stage for the Great Depression and the New Deal.

STAGE 4 DEPRESSION AND THE NEW DEAL, 1930–1941

In 1931, Stuart Chase and his new wife, Marian Tyler Chase, co-authored *Mexico: A Study of Two Americas*. Diego Rivera, a friend and a Mexican leftist of some note, illustrated the book. Also in that year, Chase published *The Nemesis of American Business and Other Essays*. He bemoaned the purchase of equipment for making "fads." Chase made references to quibblings about the exact meaning of "capacity" but there was no quibbling about the alarming extent of excessive plant and equipment in industry after industry.

Anyone who wrote *A New Deal* in 1932 might be judged to be the namer of "The New Deal" of Franklin Delano Roosevelt. Stuart Chase was supposed to have met with F.D.R. in 1932 or 1933. *A New Deal* included many interesting facets. Chase felt that businessmen did not understand capacity in relationship to market demand and, hence, accentuated problems in the economy. He called for human welfare to be considered in judging the goodness of a given economic system.

In 1934, Stuart Chase published *The Economy of Abundance* in which he considered the National Recovery Administration to be a means of avoiding antitrust laws and of fixing prices. He took slashes at accounting

for goodwill and at the looseness of the term “capacity.” In 1935, Stuart Chase published *Government in Business*. In 1936, he wrote *Rich Land, Poor Land: A Study of Waste in the Natural Resources of America*. In 1938, he began to take a seemingly different track and published *The Tyranny of Words*. Chase noted the impossibility of determining a reasonable profit.

In 1940, Chase published *Idle Money, Idle Men*. He went back to his early days in Washington as a “cub accountant” with his father on President Taft’s Commission on Economy and Efficiency. Stuart Chase said his father felt strongly that the federal budget should not include capital items as a current expenditure but should follow the practice of Sweden, which had a capital budget.

Stuart Chase was “bit player” as a consultant for some New Deal agencies. In 1934, he consulted for the Natural Resource Commission. In 1935, he was a consultant to the Resettlement Administration. In 1939, he helped the Securities and Exchange Commission (SEC) in its efforts with the Temporary National Economic Committee (TNEC). In 1940, he was involved with the Tennessee Valley Authority (TVA).

STAGE 5 WORLD WAR II, 1942–1945

Stuart Chase’s efforts during this period centered around a number of books on postwar planning for The Twentieth Century Fund. In 1942, he published *The Road We are Traveling*, in which he reminded readers about the World War I agency, the War Industries Board. Also in 1942, Chase published *Goals for America*. In 1943, he published both *Democracy Under Pressure* and *Tomorrow’s Trade, Problems of our Foreign Commerce*. Also in 1945, and a portent of much of his later writings, he published *Men at Work*. In it, he reported on research done on successful wartime organizations.

STAGE 6 WRITING FOR THE GENERAL PUBLIC, 1946–1968

Stuart Chase had limited consulting experience but was a very successful author in the years from 1946 through 1968. He did consult for UNESCO in 1949 and in 1951 was on the National Planning Association’s Committee on Conditions of Industrial Peace. In 1952, he started his long tenure as Secretary of the Redding, CT (his hometown since 1930) Planning Commission.

In 1960, he revisited the U.S.S.R. with a group of American intellectual leaders who sought a better understanding between the world's two major nuclear rivals.

In 1947, Chase published *A Generation of Industrial Peace* for Standard Oil of NJ. In 1948, he published *The Proper Study of Mankind* with a revised edition in 1956. Continuing his 1945 and 1947 efforts, he published in 1951 *Roads to Agreement: Successful Methods in the Science of Human Relations*. In 1953, he published *Power of Words*. In 1956, he resumed his work for the Twentieth Century Fund with *For This We Fought*. His last major effort was *Most Probable World* in 1968, when he was 80 years old. Chase once again stressed the concept of "illth" from John Ruskin.

STAGE 7 THE LAST YEARS, 1969–1985

Stuart Chase remained active almost to his death and was home-based in Redding. As a celebration of his efforts, a collection of his essays on town planning was published. As a part of the festivities for his ninetieth birthday in 1978, Chase was interviewed in his town's weekly newspaper. He reverted to his theme of three great obstacles to progress: "Babies, Bombs, and Bulldozers." In 1981, Chase did contribute "A Whole New Manner of Thinking" to his local newspaper in which he ended with these words: "I think, Mr. Einstein, we have a fighting chance." As a side note, the writer noted this September 18, 1935 letter at the Library of Congress collection of the Stuart Chase papers from Einstein to Chase on *A New Deal*.

Very honored Sir:

I found your book, *A New Deal*, in a private library here and have read it through with greatest interest. Not often in my life has a book come into my hands with which I could agree so completely. Also I was able to learn many facts from it, which were unknown to me before.

The clarity and simplicity of the presentation, the sound political sense, as well as the pleasing concreteness, with which a reasonable way is shown for future development, make it seem highly desirable that this book should be carefully read by all persons of any intelligence and learning in this country. I wish I could somehow contribute to this end! (Library of Congress, Stuart Chase papers, container No. 1).

His last years were marked by significant honors, numerous interviews by scholars, a compliment from President Richard M. Nixon, numerous references in history and political science books, and a dissertation by Lanier (1970), *Stuart Chase: An Intellectual Biography (1888–1940)*. There has been significant work done on him after his death in 1985.

Stuart Chase died on November 16, 1985 and received a number of obituaries in local and national papers. There was a memorial service for him at Umpawaug Cemetery in Redding on June 16, 1986. It moved his 6-year-old great-grandson to say “I wish I’d known Stuie when he was alive.” This writer feels the same way.

GENERAL BACKGROUND AND ACCOUNTING, 1888–1917, AND WORLD WAR I, WITH THE FEDERAL GOVERNMENT, 1917–1920

There are six of Stuart Chase's published writings reviewed in this chapter. They reflect the happenings in his life from his start in accounting in 1910 through his work as an accountant with the Federal Trade Commission during and just after World War I.

3A. CHASE, STUART, "ON THE THRESHOLD," *FORUM*, MAY 1914, PP. 710–717

In this piece Stuart Chase laid out the framework for his life's efforts. While claiming an active social and athletic life, he said he had made room for wide and varied reading (p. 710). In this long sentence, he summarized his life:

I want to know what I am and why I am, in order to determine the things most fitted for me to do—not as an individual greedy of success, but as a sharer for a time of the life and the machine upon this little whirling sphere in God's vast universe... (p. 711).

Chase believed in the equality of men (p. 711). He showed the challenging spirit that would remain with him all his life.

**The Life and Writings of Stuart Chase (1888–1985): From an Accountant's Perspective
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...I shall never be content to drift with the tide, accepting conditions as they are, without first being desperately forced to the realization that there is nothing else to do. ...

...But I stand free at the threshold. Where shall I throw my weight? I am proud enough and fair enough to believe that it may do some little good if rightly applied (pp. 711–712).

While Chase recognized the shattering effect that the findings of Charles Darwin had on the old order of things, he still believed that mankind was governed by wide and rational rules of conduct (pp. 712–713). He listed these attributes for an individual being happy, necessary, and helpful in the world: temperate; patient; clean-minded; and, above all, kind (p. 713). Chase then mentioned “utopia.”

I do not like to believe that the soul is a toy—a petty emotion. But if it be more, then there must be, somewhere across the forest of things, a path straight and sure and long which will ultimately lead man to a Utopia where he obeys more completely that higher dictate and where happiness and peace for the overwhelming majority may be found. Who is to find that path? None of this century or for centuries to come—certainly no one individual. But leaders and disciples there must be. Here lies my problem. What shall I do, what shall I think, what shall I believe in order that I may add my infinitesimal light to the radiance of the brotherhood of man that looms so far ahead? (p. 715).

By 1914, Stuart Chase seemed to have further defined himself and his quest from a similar letter he wrote as “credos” in his diary for 1910. This letter was shown to the writer by Sonia Chase Hodson during a visit to her New Mexico home in November 2001. Chase’s third paragraph read:

So many are the roads and lanes and byways that branch from this open portal. I look back and see the straight, calm thoroughfare that has led me here. I look forward and stand dazed and blinded before the myriad ways that lead to ultimate darkness or light. Before I had reached this gate I had always a hand to guide—mother or teacher or friend. Now I must choose my own path and can no longer steer by the younger parts of childhood and youth. I am a man, alone, with a man’s work before me—which I know—yet curiously enough I feel now more of a child than perhaps ever before. The first epoch of my life is closed and I stand upon the brink of new and strange things. Heretofore I have accepted all as my right, and have gone on happy, uncaring, secure in my guardianship. Now I must stop and examine every step, trust no other hand, learn to walk anew and hold myself accountable only to God and to my manhood for all that I do (Chase, 1910, unpagged).

Key Attributes: A1 Egalitarian; A2 Ethical; A4 Free Spirit; A7 Literate; A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

**3B. CHASE, MARGARET AND STUART,
A HONEYMOON EXPERIMENT (BOSTON AND NY:
HOUGHTON MIFFLIN, 1916)**

On their honeymoon in 1914, Margaret Hatfield Chase and Stuart Chase posed as an unemployed couple in Rochester, NY (p. 10). Stuart posed as an unemployed bookkeeper. Stuart Chase also had another motive than just conducting a sociological experiment.

Upon graduating from college I entered my father's accounting office. I received no special favors, but I was the "Old Man's son." There was no evading it. True, I had learned the business from the bottom, but men stood aside to help me learn it. Everything was arranged to break my way. I was lucky, of course, and far from dissatisfied, but I wanted to know how it felt to stand on one's own feet and to face the world alone. This urge was much stronger in me than any desire to gather figures upon the subject of unemployment. In fact I had never questioned, in anticipation, but that I should find work immediately. What perplexed me was how I should fill a position when I had secured it. Do not think of me, then, as a cold-blooded investigator, anxious to gather lurid impressions. I wanted work and I wanted it badly. I wanted to see what I was good for. I wanted to prove to myself and to my friends at home that I could get a job, and could fill it. I wanted to feel that I was worth something on my own account (pp. 49–50).

After much failure in finding a job as a bookkeeper or a teacher in a commercial school (p. 58), Stuart Chase finally latched onto a part-time job. He wrote:

Employment

I did get work finally—and saved my pride. But I did not get it by applying for it: quite the reverse. A friend whom I made in the boarding house approached me one day and asked if I would look over his accounts. I did so, and he ended by giving me charge of his books at twenty-five cents an hour. It was spasmodic labor. In all I earned about forty dollars, or an average of less than five dollars a week for our entire stay. Not much, perhaps, but when I came to go, I was rewarded by my patron's telling me that he had planned to "keep me busy all winter" at steadier rates. I had found a niche in the industrial order, but, strangely enough, it had come to me as a personality; I had not gone to it as an applicant. I saved my pride, but I did not succeed in getting the kind of work I had anticipated. I might have remained months longer, and still not have succeeded. I happened to fall into this fortuitous opportunity, and I realize now how lucky I was to get anything at all (pp. 78–79).

Key Topics: T1 Accounting, Budgeting, and Taxation. **Key Attributes:** A1 Egalitarian; A3 Family-Oriented; A7 Literate; A13 Social Activist and Critic.

3C. CHASE, STUART, “BUDGET BUILDING,” *GOOD HOUSEKEEPING*, APRIL 15, 1916, PP. 508–515

Chase, who had spent much of his post-college time “trying to increase business efficiency,” viewed his household as a full-sized business to be conducted economically and efficiently (p. 508). He felt that the principles of commercial accounting applied to household operations. He and his wife started with a beginning balance sheet as of January 1, 1915 (p. 509). Interestingly, there were 500 books valued at 50 cents each. One result of the inventory was increasing their fire insurance coverage (p. 509). He defined a “budget” as “a financial prophecy; an attempt to determine, at the beginning of the year, how much one will receive and spend during the year, with the resulting surplus or deficit at the end of the year” (p. 509).

Chase listed his salary for 1915 at \$1,600 and his investment income at \$100 and other earnings at \$100. Margaret had earnings of \$150 and investment income of \$60 (p. 510). Chase used a standard chart for expenditures: food; rent; clothes; operating expenses; advancement; and insurance and savings (p. 510). Margaret concluded that she could not afford a maid (p. 511). Stuart developed an impressed petty-cash fund for Margaret, so that she was an equal participant in the household finance function. He wrote:

...In order to put this theory into practical operation, I opened a separate account for Mrs. Chase in my own bank and deposited \$100 to her credit. She had her own check-book and could draw against this money in any way that she saw fit. At the end of each month she rendered me an account of all she had spent, and I drew my own check to reimburse her for the exact total of her bank expenditures, thereby bringing her account in the bank up to \$100 again (p. 512).

Key Topics: T1 Accounting, Budgeting, and Taxation, T9 Planning.
Key Attributes: A1 Egalitarian, A3 Family Oriented.

3D. CHASE, STUART, “A WAR BUDGET FOR THE HOUSEHOLD,” *INDEPENDENT*, AUGUST 4, 1917, PP. 169–170

Stuart Chase brought both his prior writings and his being “an expert public accountant” to this task (p. 169). The urgency of this topic was caused by the wartime effects on food prices. As an aside, it is interesting to note his opinion of tobacco expenditures. “Every family, even the poorest, expends

some part of its income for those luxuries and comforts. Some of them, such as tobacco and automobiles, have attained the dignity of practical necessities. The laborer's pipe and the Ford are permanent institutions" (p. 169). Chase was concerned about the great increases of food prices on the poor (p. 170). He recommended three solutions: "We can strive to eliminate waste; we can cut down on luxuries; we can grow more food" (p. 170).

The writer found it interesting that Chase introduced "waste" in this 1917 article, written at least 4 years before his involvement in the Technical Alliance. Chase defined waste of food to be: "(1) Edible food thrown into the garbage pail; (2) Spoiling of food due to careless handling and storing; (3) Careless cookery; (4) Waste in preparation; and (5) Over-generous serving of food" (p. 170). He warned against waste from "the production of baubles, surfeits and poisons" (p. 170). He ended with this call for permanent changes:

The war has given us the unique opportunity to revolutionize the whole economy of luxuries: to destroy the vicious, to encourage the necessary, to make wholesome and strengthen immeasurably the goods of the nation. Reflect for a moment on the word "goods." Literally interpreted it marks the beginning and the end of all sane spending, in peace no less than in war (p. 170).

Key Topics: T1 Accounting, Budgeting, and Taxation; T6 Consumer Affairs; T9 Planning; T14 Waste. **Key Attributes:** A3 Family-Oriented; A9 Political Economist; A13 Social Activist and Critic.

3E. CHASE, STUART, "WHAT IS A REASONABLE PROFIT?" *JOURNAL OF ACCOUNTANCY*, JUNE 1920, PP. 416-434

Stuart Chase set out on the difficult but important task of differentiating a reasonable profit-taker from a "profiteer," a pejorative term springing from excess profits during World War I. Chase defined a "fair price" as being "built upon a true cost of production plus a fair profit and thus it is obvious that such a price cannot be fixed until costs are found and a fair profit determined" (p. 416). Chase contrasted the economist's views of "profits" with that of the investor. The investor's definition won. Chase wrote:

It is unquestionably true that the investor's definition of profit is the one that is most in use today and the one, which the public best understands. Furthermore, from the bookkeeping point of view it is very unusual for a given enterprise to allocate its earnings as between rent, interest, and pure economic profit, and accordingly if the economic

definition were to be followed in fixing a reasonable return it would necessitate a considerable modification in current bookkeeping methods. In the circumstances it is probably that the investor's definition of profit is the more convenient for the task in hand (pp. 420–421).

Chase noted four different standards, or methods, for calculating profits and, then, if a rate of profit on investment be chosen, seven possible choices existed to calculate “investment” (pp. 423–424). Chase discussed the four general methods: “(1) the rate of profit on sales; (2) the rate of profit on cost; (3) the rate of profit per unit of output (per bushel, per gallon, etc.); and (4) the rate of profit on investment...” (p. 424). He chose #4:

...It is by this time clear that investment is one thing that all business has in common and is the common item upon which significance can be placed. A rate of profit on investment has few of the shortcomings that apply to rates on sales, costs or unit of output, and, if investment can be adequately defined, it is obvious that here is found a standard upon which can be compared intelligibly the earnings of most if not all industrials. Profits arise fundamentally from the application of capital or “investment” to a given enterprise. A rate of profit on that investment goes far toward telling the true story of reasonableness.

The problem is by no means solved, however, until investment be defined (p. 426).

Chase listed the seven methods of “investment”: (1) the rate of profit on economic capital; (2) the rate of profit on capital stock; (3) the rate of profit on fixed investment; (4) the rate of profit on the actual cash or property investment contributed by stockholders; (5) the rate of profit on capital stock, surplus and borrowed money; (6) the rate of profit on capital stock, surplus and bonded indebtedness; and (7) the rate of profit on net worth or total assets less total outside liabilities (p. 424). Here is his choice, #7, with modifications:

Net worth is from the legal or investors' viewpoint the true investment in a given enterprise. After eliminating goodwill, unwarranted appraisals and other more or less intangible assets, it represents the actual money advanced or left in the business by owners or stockholders. Borrowed money or leased property is regarded as a commodity used in the enterprise, like raw materials or labor, for which due payment is made in the form of interest or rent charges, but it has no claim to share in the profits of the business after such charges have been met. Profit is accordingly defined as the amount of income remaining after the deduction of interest and rent, and agrees with the investor's definition of net profit (p. 428).

Chase defined the lower limit of profit as the current interest rate with various multiples depending on the risk in that industry (p. 433).

The writer considers Chase's article to be “moderate” in nature and quite lacking in “radical thinking.” The writer's perception is different from the views of Stuart Chase espoused by Linda J. Bradley and Barbara Merino,

whose views will be discussed in the next item discussed in this chapter, 3F. Chase noted the possible abuses in the valuation of intangibles and of the use of stock dividends to muddy the waters of measurements. Certainly, he cautioned against the blind use of net worth, in general, and capital stock, in particular. Still, “profits” were viewed as a catalyst that must be an inherent part of the economic system as then, and still, exists.

This piece was published in the *Journal of Accountancy*, despite its controversial subject matter. The writer views the decision to publish this piece in the *Journal of Accountancy* to be courageous in nature by the editor. It may also show the continued importance of Harvey Stuart Chase in accounting. Stuart Chase, in the writer’s view, benefited by his family status when getting this controversial piece published by the chief publication of the American Institute of Accountants – later, in 1957, the American Institute of CPAs.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business. **Key Attributes:** A2 Ethical; A7 Literate; A8 Pacifist; A9 Political Economist; A13 Social Activist and Critic.

3F. CHASE, STUART (UNSIGNED BUT ATTRIBUTED TO BY MANY), *REPORT OF THE FEDERAL TRADE COMMISSION ON THE MEAT-PACKING INDUSTRY, PART V: PROFITS OF THE PACKERS* (WASHINGTON: USGPO, 1920)

Chase has been credited (or debited, depending on one’s viewpoint) with the authorship of this 110 page report. (see Bradley and Merino, 1994; see *Congressional Record-Senate 1919* (p. 7167)). The report was done by the Federal Trade Commission (FTC) for “a general inquiry into the costs, investment, and profits of the packers” and for the United States Food Administration to test its limitations on packers’ profits (p. 7). Some of the research steps employed were:

1. A comparison of the earnings of the five great packers in dollars and in rate on investment for the three pre-war years 1912 to 1914, and the three war years 1915 to 1917, before the Food Administration control was put in effect.
2. A study of the accounting system of the great packers supplemented by an examination of the statistical methods employed in arriving at costs and profit per head and per pound of animals produced.

3. A survey of the possibilities of introducing uniform accounting principles into the packing industry (p. 7).

The report focused on the five great packers: Armour & Co.; Cudahy Packing Co.; Swift & Co.; Wilson & Co. Inc.; and Morris & Co. (p. 8). These packers were closely held by certain family groups and grew primarily by the reinvestment of earnings (p. 8). The FTC adjusted reported earnings for various items (p. 10). It was stated in the report that the figures reported by the packers were inaccurate for these reasons:

Total profits have been found to be inaccurate in that the bulk of the inventories are invariably priced on a market basis, when accounting principles require a cost basis; in that the profits of subsidiary companies are not uniformly taken up in the accounts of the controlling company; in that surplus adjustments are often charged directly to the profit and loss account of a given year instead of to surplus account directly; in that depreciation has not been systematically accumulated; in that unjustified "reserves" have been charged against earnings from time to time, particularly during the profitable war years.

Profits on specific meat products or in specific departments (such as the profit per pound of beef) are not accurate in that no sound cost system has been developed for the packing industry, and the present method of transferring products from one processing state to the next, based as it is on market valuations instead of on actual costs, precludes reliance upon such unit or departmental profits.

The inaccuracy of the present methods of figuring unit costs and profits casts doubt on all the public statements and advertisements of the great packers dealing with profits per pound of beef and of meat products generally (pp. 11–12).

The report questioned the veracity of earnings per dollar of sales or per pounds of product. "As a matter of fact, a profit of a cent per unit, far from being a small profit, may be an exorbitant profit measured in terms of return upon capital invested" (p. 13). Profits were greatly increased in the war years of 1915, 1916, and 1917 compared to 1912, 1913, and 1914 (p. 45). The report also concentrated on the inherent difficulties in cost accounting because of transfer prices between departments.

Furthermore, on much of the material transferred, such as blood, bones, tankage, glue stock, etc., there is no ascertainable outside market, and the packers must perforce place quite arbitrary valuations on this material having no probable relation to either cost or market. Again certain products are in the green stage when transferred, and an outside market only obtains for the finished stage, with the result that arbitrary deductions must be made from the finished market, estimated to establish a nonexistent "green" market. The certification of internal transfer prices presents, accordingly, an almost interminable problem to any outside reviewing body (p. 56).

The FTC did not consider interest expense to be either a manufacturing or a selling cost, and, hence, it was treated as a charge to the profit and loss

account (p. 62). There was a need for consistent methods within each firm in order to stimulate internal efficiency (p. 64). The FTC was not at all happy with “general reserves” being deducted from net income (p. 66). There was also displeasure with depreciation charges (pp. 67–68) and in the recognition of earnings from subsidiary companies (p. 69). Another problem was segregating investment by the type of business (p. 78).

The writer gives Chase a very high grade for an excellent study of reported figures with adjustments to get at a more uniform accounting, and in doing so, to draw conclusions about possible profiteering during the uncontrolled pricing period of 1915, 1916, and 1917. Certainly, the report recognized profit as a legitimate outcome of a business, and recognized that different internal organizational structures would lead to different costs per unit of output and profits per dollar of sales.

When one considers any hint of determining “profiteering,” there would be an expectation of an extensive campaign to rebut the charge and/or to smear the people making the charge. Such a campaign was waged by Senator James E. Watson. “Watson, a right wing Republican from Indiana and a frequent spokesman in Congress for the meat packers, publicly charged that Stuart Chase was an extreme socialist devoted to the overthrow of capitalism and the government” (Lanier, 1970, p. 32). Watson excoriated Chase in nine paragraphs in a long address to the Senate on October 20, 1919. Two of these paragraphs illustrate the tenor of Watson’s attack:

It can be verified by affidavit that Chase instructed members of the Federal Trade Commission’s investigating staff that in the event the figures obtained from the packers’ books were not the equivalent of those submitted by the packers in their various financial statements, they should in all cases take the larger figures. In a number of instances it so happened that the figures obtained by the Federal Trade Commission from the packers’ books were not as large as those submitted by the various packing companies, and in each case the Federal Trade Commission used the larger figures which would be arrived at by putting back various reserves into profits, thereby inflating the profits, all of which was done upon Chase’s positive instructions.

During all of this time the office of the Federal Trade Commission in the Conway Building, under his instructions and with his active consent, became the headquarters of all the active members of the Fabian Club, including such men as Tucker and Berger and the other socialistic members of the Federal Trade Commission (p. 7167).

George T. Odell in “The Federal Trade Commission Yields to Pressure” in the January 12, 1921 issue of *The Nation* related other assaults on Stuart Chase because of the FTC reports on the meat packers. Odell tied Chase to the “Red Scare” years of 1919 and 1920. First, Odell defended Chase and his co-workers.

...Most of these agents of the Commission were forward-looking men, alive to the menace of big business exploitation of Government and the public and sympathetically inquisitive toward all theories for the solution of social and political problems. To the particular task in hand, however, these investigators employed the precise science of mathematics in unraveling the complicated accounts which the packers had used to conceal their extortions and profiteering and the most exacting laws of evidence in dissecting the legal subterfuges through which they maintained their monopolistic control over food products (p. 36).

Odell then described the treatment that Chase and three others remaining at the FTC received in late 1920.

The four remaining on December 1, 1920, were Stuart Chase, A.S. Kravitz, S.W. Tator, and Earl S. Holmes. On December 4 and 6, respectively, Chase and Kravitz received notices that their services would be dispensed with on December 31 on account of "lack of funds." Tator in the meantime had handed in his resignation in order to accept a better-paying position. This blow fell upon Chase and Kravitz without any warning. The persecution that these men were subjected to during the past year it is only necessary to indicate by saying that the espionage of Mr. A. Mitchell Palmer's band of "Red Raiders" went so far as to examine every bit of trash which was taken from the homes of these four men (p. 36).

Odell reported that Chase then responded in December of 1920 to the FTC chairman, Huston Thompson. Chase's last sentence was very predictive of his next stage in life. He wrote:

The only interpretation I am able to read into this series of events is that Senator Watson, while he could not brook a public hearing in which his relations to the packers might be established, could brook neither the presence of men in the Federal Trade Commission whom he had branded as undesirable and dangerous characters. If, therefore, the Commission desired consideration at the hands of the new Administration, it must, among other things, first find means of ridding itself of these marked men. Such house cleaning demanded the elimination of Kravitz and myself, Tator having already resigned to take another position. If they defied it, their progress in the coming months might be seriously impeded; if they gave in to it they would have to sacrifice two men of some ability whose faithfulness and integrity they had already warmly defended. They chose the second course, as was perhaps inevitable, but they could not impart the reasons to the two men in question because of the insight such a confession would give into the logic of the situation. We were dismissed therefore on the technical ground of "lack of funds" and the Commission has maintained an inscrutable silence.

A mind with a philosophic turn can find no grounds for personal blame in all this. Nor grounds for passionate protest. The vested interests have once more proved their ability to command the Government. Servants who have genuinely labored in the public interest cannot be tolerated when that interest conflicts with large corporate progress. In 1904 it was said that the great meat packers were stronger than the United States government and it would appear that this dictum holds good today. If I entertained certain progressive ideas in the past, can you wonder that this experience has confirmed my belief in the inherent injustice of the present economic order? (p. 37)

There has been some relatively recent scholarship on Stuart Chase's FTC efforts. Linda J. Bradley and Barbara D. Merino wrote "Stuart Chase: A Radical CPA and the Meat Packing Investigation, 1917–1918" in *Business and Economic History*, Fall 1994 (pp. 190–200). They determined that Stuart Chase was loaned to the FTC by Harvey Stuart Chase, managing partner of Harvey Chase & Co., as per an FTC request of September 28, 1917 (p. 191). They felt that Stuart Chase could there test the ideas of Thorstein Veblen on accounting abuses (p. 192). They concluded "the packers had engaged in profiteering and extortion" (p. 197). Bradley and Merino offered these two important conclusions:

Dismissal from the FTC changed Chase's life; he no longer believed that he could use his accounting knowledge to change the system from within. Instead, he would use the popular press to warn the public about the dangers that the vested interests posed to the nation. He would use his technical expertise to highlight how accounting techniques served the rich and powerful. Prior to his firing, Chase did try to carry his message to his fellow accounting practitioners, but his effort did not appear to have the effect that he desired (p. 197).

...

Chase's message was not only too radical for accountants in 1920; it may still be too radical today. His questions about the relevance of accounting data and accounting profit measurement in oligopolistic markets continue to be ignored. Perhaps the most important legacy of Chase's article is that it clearly highlights the strong commitment that accountants have made to the private property rights paradigm. Despite significant changes in corporation ownership and corporate structure throughout the century, measurement of "investor income" continues to be inviolate (p. 198).

Bradley and Merino concluded that Stuart Chase "was willing to moderate his tone" in the previous (3E) piece in the *Journal of Accountancy* in order to reach the audience of that important accounting journal (p. 197). They also posited that the "AIA (American Institute of Accountants, now the American Institute of CPA's) leadership felt an obligation to Harvey Chase and agreed to publish an article by his son" (p. 197). The writer certainly agrees with the strong power position of Harvey S. Chase with the AIA then but noted no evidence to support any specific action by him on this matter. The writer does differ with the issue of Stuart Chase's moderate tone. What Bradley and Merino find to be a moderation of tone by Stuart Chase seemed, to this writer, a consistently passive behavior through Stuart Chase's life. This behavior contrasted greatly, in the writer's view, with the very aggressive behavior of Harvey Stuart Chase (Vangermeersch, 2002, pp. 100–101).

As this last work of Stuart Chase, in the first two stages of his long life, lays the groundwork for stage 3, "A Voice in the Wilderness," the writer

chooses to make more extensive comments here than on the prior writings. The writer suggests that it might be possible to add 1918 and 1919 as a third segment of the FTC report, and 1920 and 1921 as a fourth segment. The years of 1918 and 1919 were heavily influenced by strict governmental price controls, while the years 1920 and 1921 represented a deep deflationary depression period. This proposed extension of the study would permit a more complete picture than 1912 through 1917.

The accounting issues raised in the FTC report should be traced through time because these issues were (and in Goodwill remain) very controversial in 1919. The writer wishes Chase had deepened his explanations of his accounting adjustments because it was these explanations that should have been debated, rather than the brutal smear campaign waged on him and his co-workers on the study of the profits of the meat packers. Senator Watson skillfully played the “Red Scare” card against Chase and his co-workers at the FTC. Certainly Chase’s very good efforts at accounting reforms were thwarted by a “Red Herring.” The writer also wishes that Stuart Chase had “cooled-it” with politically partisan activities while he was an FTC employee. If he had not given Senator Watson and the meat packers a huge target at which to shoot, it is possible that a rational debate could have ensued on the points raised very skillfully in the “Profits of the Packers.”

Key Topics: T1 Accounting, Budgeting and Taxation; T3 Business; T6 Consumer Affairs. **Key Attributes:** A2 Ethical; A8 Pacifist; A9 Political Economist; A13 Social Activist and Critic; A14 Socialist.

LOOKING FORWARD

Stuart Chase was, at the end of the 1920, at the point of entering stage 3, “A Voice in the Wilderness, 1921–1929.” While many would see him as entering his radical stage, the writer finds him to be a “moderate radical” or a “reluctant radical” as he left the FTC – if such classifications are possible. The writer believes Chase realized that his future effectiveness would be very limited if he adopted an “aggressive radical” posture.

A VOICE IN THE WILDERNESS, 1921–1929

Stuart Chase started a new life, somewhat outside of accounting but with a strong use of the skill set of a CPA and of a business advisor. However, there were some publications in the accounting professional development literature, which seemed to indicate some strong ties to the accounting establishment.

4A. CHASE, STUART, “THE CHALLENGE OF WASTE TO EXISTING INDUSTRIAL CREEDS,” *NATION*, VOL. 112, NO. 2903, FEBRUARY 23, 1921, PP. 284–287

Chase started this article with a statement close to an accountant’s heart. “...Before criticism is in order, a standard must be set whereby current performance can be judged. There is no evil until good is first defined” (p. 284). Chase mentioned three categories of waste: garbage cans, Taylor systems, and a whole industrial synthesis (p. 284). Most of his emphasis was on the latter.

Chase doubted that scientific management techniques would have been employed unless greater profits would ensue (p. 284). Yet, he praised both F.W. Taylor for undercutting the immemorable craft practices in bricklaying and carpentry and Herbert Hoover for efforts to increase the efficiency of labor (p. 284). In language that presaged the happenings of World War II, Chase related the use of efficiency systems in antisocial endeavors. He

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used H.G. Wells' 1909 classic criticism of advertising in the book *Tono-Bungay*.

...An efficiency system can be introduced into a laboratory, which is manufacturing poison gas—or Tono-Bungay. A sound theory of waste would refuse to recognize the necessity of making poison gas or patent medicine at all (p. 284).

Chase defined “waste” as the shortfall of basic wants in society, using the language and economic philosophy of Thorstein Veblen. Chase wrote:

...Budget the basic wants; ascertain the raw materials available; survey the industrial plants in the light of the present status of the technical arts; and calculate what it means in human effort to get these basic wants out of the earth and into people's lives with a minimum of effort and friction. Such a standard, it goes without saying, is based flatly on the assumption that an economic process has no justification other than that of supplying the things which mankind needs; that the only end of human work is to produce the groundwork for a rich and happy life (p. 284).

Chase believed that engineers and statisticians could determine what the economy could produce. He eschewed the money measurement of waste.

...The quantitative measurement of waste to have permanent meaning must be given in units of man-hours, weights and volumes of raw materials, horsepower hours, and the physical measurement of “plant” which in turn has been created originally by labor and materials (pp. 285).

Chase bemoaned the chaotic and clumsy location of “plants,” their poor adaptability, and their “unaccountable fits and starts” (p. 285). He offered hope in the technocrat movement and in “technocrats.”

Finally here is the accredited scientific knowledge of mankind. Here in books and charts and in men's minds are ways to doing things—the best ways yet invented. Here are technicians and engineers and workmen who know how a forest ought to be cut so that the area is never diminished to the danger point; how power ought to be husbanded and utilized with a minimum of effort per horsepower; how farms should be cultivated and fertilizers employed; how coal ought to be won; oil wells drilled; transportation systems laid out; cars loaded; public health maintained; schools equipped; the city organization of foodstuffs organized...(pp. 285–286).

Chase makes his first reference to John Ruskin's term “illth.” Chase gave these examples of “illth.”

...Luxuries—over a standard of reasonable comfort; patent medicines; armaments; adulterated products; distilled liquors; opiates; prostitution; most newspapers; much advertising; the services of quacks, astrologers, mediums; the services of most middlemen; the business of gambling and speculation; etc. (p. 286).

Chase then mentioned the great number of idle, or partially idle, men and women, including the idle rich, “particularly the parasitic women of the

rich” (p. 286). Industry was faulted for failing to adopt approved technical methods (p. 286). Chase gave this call to action:

... It is more than time that the challenge be taken up to the point of at least compiling a rough engineering draft of a wasteless society, and of estimating the vast increase in well being which would accrue if society had the common sense to plan for its own provisioning (p. 287).

It did not take Chase too long to adjust to this new stage. The technocrat era of Thorstein Veblen found its champion in Stuart Chase with his Fabian background and with his accounting, business, and governmental background. Added to this mix was the concept of “illith” of John Ruskin, as well as the scientific management movement. Stuart Chase’s engineering and science background from M.I.T. must also have played a key role at this point in time.

The writer has been studying the topic of capacity and its measurement in accounting for a long time (see McNair and Vangermeersch, *Total Capacity Management*, 1998). He had never quite understood the tensions between engineers and accountants over the reporting of idle-time as a component of cost of goods sold – as many accountants preferred – or as a separate “loss” item on the income statement – as many engineers preferred. The writer finally realized that engineers viewed idle-time not only as waste of a company’s capacity but also a waste in failing to meet the needs of society (Vangermeersch and McNair, “A Brief Review of the Presentation of ‘Cost in Twentieth Century America,’” 1999).

... Vangermeersch added Stuart Chase and Thorstein Veblen to the list, because of his recent research on them. Veblen is probably the best-known American critical economist of this time period (1890–1932). Chase was one of his popularizers and interpreters (for Veblen needed and attracted many of these). He had provided a philosophical base to the technocrat era. A society that was not producing at maximum capacity, at a low cost due to this volume-absorbing overhead, at a resultant low price was a wasteful society (p. 22).

It is interesting to note that this article of Chase was not referenced in the *Accountants’ Index, 1921–1923*. In retrospect, it should have been referenced. The writer has a suspicion that there was a bias against articles like Chase’s and against more “leftist journals” like *The Nation*. Perhaps someone could conduct a research study to ascertain whether this supposition has merit.

Key Topics: T3 Business; T4 Capacity; T6 Consumer Affairs; T8 Machinery; T9 Planning; T10 Resource Management; T14 Waste. **Key Attributes:** A7 Literate; A9 Political Economist; A10 Popularizer; A12 Radical; A13 Social Activist and Critic; A15 Utopian.

**4B. CHASE, STUART, “WASTE AND LABOR,”
NATION, VOL. 113, NO. 2924, JULY 20, 1921, PP. 67–69**

Chase started this article with three fascinating examples of waste: (1) the dumping of 5,000 watermelons in Washington, DC because of a bearish market; (2) the switching of locomotive repairs from railroad shops to private contractors; and (3) the needless duplication of work in a printing establishment due to union rules. He had an interesting description for the second story.

... Idle men to be sure can be fired—and they were by the hundreds. But idle shops and idle cranes cannot, alas, be fired. They can only sit eating their heads off in depreciation, taxes, interest, insurance, and overhead generally (p. 67).

Chase again stated his preference for engineers who can recognize waste and want to modify the process, even though the industrialists and financiers running the organizations are happy with the status quo. He praised the Taylor (Frederick W.) Society which was grappling with the fundamentals of waste (p. 67). Chase also praised the work of Herbert Hoover on *Elimination of Waste in Industry*.

... Under the leadership of Mr. Hoover a number of basic industries have been surveyed by competent engineers. They have defined waste broadly as the failure to utilize effectively mechanical equipment, raw material, or human resources. They have laid particular emphasis on the last factor—examining unemployment, personnel, and labor turnover. Their findings show that while labor is responsible for some 25 percent of the total cost of waste in the industries they have examined, management is responsible for 50 percent thereof—or twice as much. They state, however, that they are much less interested in locating responsibility for past performance than in indicating the many opportunities for eliminating waste in the future (p. 68).

Hoover’s report measured waste broadly and waste was defined as measurable in physical units (p. 67). Chase believed that labor unions could work with engineers and technicians – but not financiers – to eliminate waste, if the workers shared in the increased output (p. 67). Chase argued against resources applied to luxuries, to harmful products, to war, and to preparation for war (p. 69). He hoped for the following type of a world:

... Labor can make its case convincing only when it shows a genuine disposition to take an active share in bringing about more efficient operation in return for a measurable degree of managerial responsibility, which carries with it some security of tenure on the job. When the public begins to realize what a frightful mess financial control has made of industry from the operating standpoint—when the myth of all-wise captain of industry is duly and finally exploded—labor in conjunction with the engineer stands a chance to

step into the vacuum with new managerial proposals which should go far toward winning genuine public interest and support (p. 69).

Like the preceding article, this piece lays out the challenges that Chase was to face in the 1920s and in the 1930s. These are challenges that not only bedevil society but also each unit in it. Each unit should continually analyze its use function to society, as well as its own internal operations. This can only happen, in the writer's view, if Chase's writings are studied, not as coming from a radical, but as coming from a critical examiner of the current process with the hope of betterment of the unit and then society. To the extent that Stuart Chase is radicalized, society loses the major thrusts of his writings.

Key Topics: T3 Business; T4 Capacity; T7 Human Relations; T8 Machinery; T14 Waste. **Key Attributes:** A2 Ethical; A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

4C. CHASE, STUART, *SPECIAL ACCOUNTING EXAMINATIONS AND REPORTS* (SCRANTON, PA: INTERNATIONAL TEXTBOOK CO., 1923)

Chase was labeled as a "Member, American Institute of Accountants. He authored *What is a Reasonable Profit?*" (title page). In his introduction to the book, J. Lee Nicholson described to what class of accountant this book was aimed.

Proficiency in the common requirements, however, is merely the *stepping-stone* to a successful career in accounting. An ability is required to deal with cases presenting conditions calling for original treatment, which must be specially devised by the accountant. The degree to which this ability is developed largely decides the differences in skill of individual accountants.

Problems, not theretofore within the range of his experience, will require solution. His ability to deal correctly with such problems will greatly depend upon his ability to analyze, detect, and lay bare the important underlying conditions and draw correct conclusion therefrom. In cases of this kind, the prime requisite of the accountant is initiative, developed by an adequate training in the requirements of special examinations (p. iii).

Chase's text was divided into two parts. Part I, as did Part II, contained brief fictitious cases to add readability. Four cases were covered in Part I:

1. The establishment of insolvency accounts for a bankrupt firm.
2. The accounting procedure necessary in changing a partnership or a proprietorship to a corporation.

3. The independent valuation of fixed properties (land, buildings, machinery, etc.) of a given concern, a task usually performed in conjunction with appraisal engineers.
4. The calculation of amortization and sinking fund tables to the end that exactly proper amounts may be set aside each year to meet funded obligations (Pt. 1, 4).

Five cases were covered in Part II:

5. The estimating of the probable costs of new enterprises, and the preparation of budget statements for coming periods.
6. The determination of laws of seasonal variation in sales, and the forecasting of future business on the basis of such laws.
7. The preparation of a system of periodical reports and charts for busy executives, based on the accounting system.
8. Test investigations to locate suspected fraud without going to the length of a complete audit.
9. The independent valuation of goodwill (Pt. 1, 4–5).

Stuart Chase described the “good accountant.” He seemed to exclude from that appellation “auditors” and “systemizers.” It is important to note this, as well as Chase’s aversion to “bookkeepers,” because they seem, in the writer’s view, to be inconsistent with Chase’s key attribute of an egalitarian.

He will probably never meet quite the same problem that will be sketched here, but he will learn something of the accounting tools, and particularly the attitude of mind, with which all problems in the field of special examinations must be approached. The good accountant—the accountant who rises high in his profession—is the one who meets new problems in a new way, and who does not rely too much on rules, formula and dry-as-dust precedents. He does not go to the textbooks so much as he goes to his own mental resources. Instead of trying to find an authority, he tries to use his own intelligence to think the problem through. In auditing and systematizing there is often no such scope for the use of what we may call creative intelligence (Pt. 1, 6).

The first four cases were considered by Chase to be more ordered than the latter five. However, in each of the first four cases, Chase indicated that ingenuity was a key ingredient. In Case 1 Chase wrote:

The accountant, after chatting briefly with Mr. M., asks to be shown all over the mill on his first day, never asking for the books at all. He goes through the milling process from the point where the rough logs enter, to where the finished boards leave the mill; he walks around piles of lumber and logs in the yard; he inspects the supplies as well as the teams and trucks; and then throws a critical glance at the construction of the mill buildings and the power plant. He wants to impress upon his mind the underlying things of which the book figures are only the shadow. He knows that too many accountants are

going astray by studying ink marks in ledgers to the exclusion of the physical properties which these ink marks represent (Pt. 1, 8).

In Case 2, he wrote:

...Did they wish to carry furniture and fixtures at a real valuation? They were uncertain about this, whereupon the accountant strongly advised them to do so. The elimination of furniture and fixtures created a *secret reserve*, clouded the actual facts, and made the preparation of income tax returns, in fact all corporation returns, difficult (Pt. 1, 18).

In Case 3, he wrote:

Two Bases of Valuation—The first question that the accountant asks is whether such valuation shall be on the basis of *cost-less-depreciation* or of *reduplication*. These terms he explains as follows:

Cost-less-depreciation. A valuation of fixed assets on a cost-less-depreciation basis is obtained by finding the actual cost of the original property, plus the cost of all additions to date, less reasonable reserves for depreciation, the depreciation rates to be adjusted according to the class of property that is depreciating.

Reduplication. A valuation of fixed assets on a *reduplication* basis is obtained by finding the cost of duplicating the land, buildings, and machinery at current market prices.

The directors decided to have the valuation made on both these bases, so that they may have all the facts before them. The engineer is assigned to the work of appraising the properties on the basis of reduplication, and no further attention will here be paid to his work. The accountant is assigned to the work of analyzing the books, finding the original cost of the properties, setting up proper reserves for depreciation, and thus appraising the assets on the basis of cost-less-depreciation (Pt. 1, 26).

In Case 4, he wrote about the failure of the city of Griston to set aside a required bond sinking fund for the retirement of a \$110,000,000 school bond (Pt. 1, 32). This led to a victory by a reform group and a thorough investigation by a CPA (Pt. 1, 34).

The accountant's report was made public by the mayor, and the resulting outcry necessitated a further intensive audit of the whole state of the city's finances—and the criminal mismanagement of the city machine in respect to the city's funds. In this subsequent investigation the accountant and his staff played an important part, but the story of it cannot be followed to its conclusion here. Enough to add that it resulted in placing certain of the former city officials in the penitentiary (Pt. 1, 38).

Chase started Part II with a strong caution about “prophesying” by accountants. This caution still applies today.

Estimating Future Business—The chief concern of an accountant is with past performance. He examines records dealing with transactions already completed. Generally speaking, it is not his function to pry into the future or deal in prophecies. He can be scientifically sure of his ground only when he summarizes and reports on what has already occurred. There are times, however, when any accountant with a wide

professional experience may be called on to do a certain amount of prophesying—when he is asked to leave the sure record of the past, and to speculate about the future. In accepting problems of this nature he should use the greatest caution, for this is uncertain ground, and his professional reputation may be at stake. It can be laid down as a general rule that no accountant who values his professional integrity should undertake the preparation of figures that deal with future performance unless he has prepared his case beforehand with a wealth of carefully checked data. It is always possible to project the curve of the past into the future, but the accountant should be no Sunday-supplement statistician. He must first be absolutely sure of the curve of the past, and he must guard his curve of the future with every possible qualification (Pt. 2, 1).

In Case 5, Chase made this interesting ruling about the allocation of home office overhead to a proposed branch. He wrote:

The principle involved (and, it is an important one) is to load the branch not only with the extra overhead, which its establishment requires, but also with a share of the fixed overhead, which the main store would have had to carry even had there been no branch. This operates to reduce relatively the main office overhead, and is justified because of the increased care and attention, which will have to be given to the branch, without a proportionate increase in salaries, etc. It is an established law that when a business grows from one unit to two units, overhead per unit is decreased, other things being equal (Pt. 2, 6).

Case 6 dealt with a business, a stamp company that Chase had much familiarity (Pt. 2, 7). Chase was searching for regularity. His quest was this:

The basic idea of this procedure was to try to find whether there was a regular law of seasonal variation in the stamp business, and if so to apply that law to the present year and thus prophesy the sales of the coming months. The exclusion of abnormal items is evidently justified, since it will make the forecast err on the conservative side (Pt. 2, 9).

In Case 7, Chase laid out a reporting system for both a new branch and the home office. Chase recommended an estimated monthly inventory approach to get monthly statements.

The third and last choice was some method of estimating the inventory value every month. Was gross profit a fairly uniform figure? The accountant remembered the budget he had made, when the branch was started, and how a survey of gross profit or sales for the past ten years had shown a fairly uniform figure. It averaged 40 per cent. Here was a possible solution to the problem. It was not as accurate a solution as the accountant could wish, but it did hold considerable promise for monthly balance sheets and income accounts that would at least show the general trend of the business (Pt. 2, 17).

Case 8 dealt with a limited examination of a municipal fraud (Pt. 2, 25–26). Case 9 dealt with the determination of goodwill of a small meat packing concern as it was being purchased by a giant packer. Since Chase had apparently gained some professional status, although some of it of the “notoriety” type, from his FTC work on the profits of the meatpackers, it is interesting to note the story in this case.

...During the past two years, however, Quick & Company, a gigantic packing concern with plants located all over the United States, have cast a longing eye at the business in the Page vicinity, have established branch houses there, and have also secured the entire output of a small independent plant located near by. A price war has raged and the Page Company has been hard put to meet the prices that Quick & Company with their large resources have been able to offer. During the first year of this competition the profits of the Page Company were cut in half; during the year just ended, for the first time in a generation, the auditor's report shows a loss—a small loss, but a loss. Within a week of the close of the fiscal year, the directors of the company received from Quick & Company an offer for the business—lock, stock, and barrel. Old Mr. Page has set himself, with considerable indignation, against considering it, vowing that he will “fight them to his last penny.” But his sons have a clearer knowledge of the situation that confronts them, and realize well that no amount of the courage and ability that made their father a successful packer can hope to battle on even terms with the great resources of Quick & Company (Pt. 2, 29).

Chase ended the small textbook with a section on “Writing Reports.” He made this comment about the writing ability of accountants. Please note his reference to “one accountant in the foremost ranks of the profession today.” In the writer's view, Stuart Chase was referring to his father, Harvey Stuart Chase.

Accountants are not as a rule literary men. Their natural style tends to be specific and dull. There is imagination in figures, but many accountants do not see it in that light, and write reports as though they were listing dress goods. To advise the student to write interestingly is rather a barren task, however. Some persons cannot write interestingly however excellent their intentions. And the fact that an accountant cannot write interestingly by no means bars him from being a very high-grade member of the profession. But it can be laid down as an axiom that report texts should be made as interesting as the facts to be brought out warrant. There is one accountant in the foremost ranks of the profession today who has achieved his success largely because he has had the faculty to write reports of unusual interest and clarity. These reports told heavily with the clients who read them (Pt. 2, 3–38).

Stuart Chase also recommended the avoidance of “cheap journalism.” He wrote:

Avoiding Cheap Journalism—To write interestingly it is not necessary that the accountant should stoop to cheap journalism. His style must be dignified and restrained or his work and reputation will suffer. It is quite possible to be dignified and exact and yet interesting at the same time (Pt. 2, 38).

A writing assignment like this small textbook would not have been assigned by the International Textbook Company to a writer considered to be a “radical.” It appears that Chase's 1920 article in the *Journal of Accountancy* was a “plus” rather than a “minus” for him. He must have been considered to be both a talented accountant and an excellent accounting writer to do

this text. His comments on “cheap journalism” seem to indicate his being less than a “wild-eyed radical.”

Key Topics: T1 Accounting, Budgeting, and Taxation; T8 Machinery.

Key Attributes: A1 Egalitarian; A2 Ethical; A7 Literate; A8 Pacifist.

4D. CHASE, STUART, “THE MINERS PRESENT A PLAN,” *NEW REPUBLIC*, JUNE 20, 1923, PP. 93–95

This article is an illustration of how Stuart Chase utilized the experiences he received at the Labor Bureau. This topic was a document that the anthracite representatives of the United Mine Workers of America presented to the United States Coal Commission. The representation raised questions about the cost and investment questionnaires sent by the Commission. He wrote:

The Commission was charged with finding the facts as to costs, profits and investment. On the basis of such facts, it was to make specific recommendations. The cost and investment questionnaires which the Commission has sent out covering the anthracite fields will not produce the desired facts unless steps are taken to define accounts more strictly. In the event that such steps are not taken, any recommendations based upon the figures now being collected are likely to be largely valueless (p. 93).

Chase was, once again and not for the last time, wary of accountants’ writing up of assets and then using that amount as a basis for depletion (in this case), depreciation, and amortization. He wrote:

...A coalmine is not like a glue factory which can, theoretically, go on forever. There comes a day when the mine is exhausted. On that day the investor expects his capital back intact. Depletion, with its attendant sinking fund, is the accounting device for giving it back to him. But under prevailing methods, he is not only going to get back every dollar he put in, but an incalculable sum in addition, for the operators have been steadily boosting their depletion rates. They do this on the theory of “reappraising” their coal lands, and “discovering” deposits which have hitherto escaped the attention of their engineers. As the public demand for coal has grown, coal deposits have increased in value. These increments—contrary to sound accounting theory—have been jumped in consequence.

The miners, on the other hand, maintain that the Federal Trade Commission is entirely correct when it says that depletion rates must be based on the actual cost of coal lands, and that “revaluations” and “appraisals” and “discoveries” have no bearing in the premises, and that to introduce these elements means to pad operating outlays and altogether to confuse the issue of what it costs to produce a ton of coal. The miners fear that it is precisely such “facts” which the Coal Commission is now collecting with vast assiduity, and tabulating with a maximum of mathematical accuracy. Depletion, the miners claim, jumped from 9 1/2 cents per ton in 1917 to 18 cents per ton in 1918 (p. 94).

The miners presented two plans to the Coal Commission. Plan II was the conversion of capital stock to bonds “valued on the net sacrifice basis” and

amortized over 50 years, along with current bonds (p. 95). Plan I was based on the notion of “sacrifice cost” and was described thusly and then referenced to a U.S. Supreme Court decision.

Under Plan I, the sacrifice cost of its investors could be found and is percent allowed thereon as a reasonable return. The sacrifice cost conception has already found favor in certain public utility valuations, and is the aggregate of what the investors originally put into the enterprise, plus any denials of dividends under a fair rate of return in the past, less any excess of dividends over such a rate in the past. The aggregate of investment so found, furthermore, should be checked and adjusted by the actual cost of investment in physical properties to date. Investment would thus be pegged, once and for all.

...

The point of view which the miners take in respect to the valuation of investment, and in which they follow the Federal Trade Commission and accounting theory generally, is that book investment should be based on actual cost. Unheard-of efforts are being made at the present time to undermine this basis. Every public utility has trained seals in the form of engineers and accountants ready to take the stand and swear to the high gods that cost of duplication, market values, capitalized earning power, or any other device which will increase the claims of private investors as against the public, is the only correct, ordained, scientific and equitable basis. The Supreme Court—Justice Holmes and Justice Brandeis dissenting—in a recent decision is found in the same camp, walruses amidst the seals. The Income Tax Department has ruled that depletion may be based on market values of coal lands as of March 1913, regardless of cost. The miners have no easy road to travel. They have only the accumulated experience of sound accountancy behind them, which says that when investment departs from actual cost, it enters a field so argumentative and so undependable and so devoid of any sound working basis, that book-keeping becomes a farce, and it were better to throw the books out of the window and frankly allow investors who wade unhampered in the trough, guzzling the last cent that the traffic will bear (p. 95).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T6 Consumer Affairs. **Key Attributes:** A2 Ethical; A9 Political Economist; All Progressive; A13 Social Activist and Critic; A14 Socialist.

4E. CHASE, STUART, *FINANCIAL CALCULATIONS* (SCRANTON, PA: INTERNATIONAL TEXTBOOK COMPANY, 1924)

This pamphlet appeared to have been written for candidates taking the CPA exam. Stuart Chase was again advertised as a member of the American Institute of Accountants and as the author of “What is a Reasonable Profit?” (cover page). The only significant part for this particular study was “Valuing Goodwill.”

Chase reviewed several traditional methods of calculating goodwill on the purchase of a business (pp. 33–38). What is significant are Chase’s comments about goodwill – somewhat reminiscent of his opinion of goodwill expressed in the 1920 FTC report. Goodwill has not gone away in these 80 + years since the report and we are, in the writer’s opinion, still quite unable to say that progress has been made. Here is what Chase wrote:

Valuing Good-Will

40. Good-will is an item often met with by the accountant. It is the “intangible asset” of the balance sheet. There it stands at \$40,000 or \$100,000—usually an arbitrary round amount. In his audit of the balance sheet, how shall he attempt to verify good-will? How can he go about it to certify to the directors or to the stockholders of the company that such a value is actually there? As a matter of cold fact, the accountant usually passes by this knotty problem altogether. When he gets to good-will in writing his report he generally says, “We have no knowledge of the value of this asset.” In the future, it is probable that accountants will begin to pay more attention to the matter (p. 33).

Key Topic: T1 Accounting, Budgeting, and Taxation.

4F. CHASE, STUART, “PORTRAIT OF A RADICAL,” *CENTURY MAGAZINE*, MAY 1924, PP. 295–304

In this piece, Stuart Chase traced his post-Harvard experiences from 1910 through 1924. Chase traced his and his wife’s involvements with these movements: single tax; Fabianism; suffrage; guild socialism; psychoanalysis; feminism; pacifism; communism; cooperatives; civil liberty; realism in art; birth control; folkways; progressive education; national minorities; and then, à la Veblen, the cult of the engineer (p. 302). Chase even had a kind word about accounting:

At this point Lenin (Lenine) called for technicians to help a working class productively helpless without them. And at this point “The Dial” began to publish Mr. Veblen’s articles on the price system and the engineers. The young man was something by way of a technician himself. He got his living by the practice of accountancy. He had regarded his profession hitherto with unqualified disapproval. For the first time it began to appear as having an ultimate social use. The young man had always wanted to write. He had envied journalists and literary people. He often loathed his balance sheets and his columns of figures. Now he was for once proud that he had a technical background. Though not a full-fledged engineer, he fell within the penumbra at least of Mr. Veblen’s blessing... (pp. 300–301).

Veblen led engineers and technicians in orienting science to human affairs in that machines would serve man, rather than vice versa (p. 302). Studies of economic waste, based on “facts,” were done. Chase pondered how such an

evil as World War I could have led to such economic growth. Chase then explained his break with radicalism in two paragraphs that seemed to explain his behavior for the next 60+ years.

The young man had a vision of long years of scattering silent audiences in bare halls, of a labor movement torn by factional disputes, of begging letters, cringing delegations to the great, limitless “publicity” that meant nothing and lead nowhere, of secretaries with short hair and poor complexions banging type-writers in dingy offices, of absurd processions walking valiantly between jeering crowds, and woven through it all a magnificent fund of energy and courage, flowering now and again into a great and stirring speech, a novel, a picket-line, a poem, a heroic sacrifice. A vast barren plain strewn with precious stones. Was social progress doomed to such methods? How came it that a wicked and destructive thing like war could generate energy enough to build Utopia twice over, but for Utopia itself only the bleak halls, the shambling processions?

The young man could only admit the plain conclusion that either mankind was totally incapable of controlling its environment save in the interest of its own destruction, or else, and more probably, that the radicals had no knowledge of the springs of human action, knew nothing of the forces which underlay social conduct and behavior, had never considered, much less worked out, a scientific technique for advancing their ideas, and were unaware of the biological and psychological factors involved in the program which they ardently and fruitlessly advocated (p. 303).

As stated in Chapter 1, this writer has vowed to focus his efforts on Stuart Chase’s writings on accounting and related areas of interest to an accountant. This piece by Chase tempted the writer to leave his limited viewpoint and be enveloped in a magnificent whirlpool of Chase’s ideas and ideals. The writer yielded to the temptation in a limited manner. He now moves on but still urges all to read this magnificent literary masterpiece.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T7 Human Relations; T8 Machinery; T9 Planning; T11 Social Sciences; T13 U.S.S.R.; T14 Waste. **Key Attributes:** A1 Egalitarian; A2 Ethical; A3 Family-Oriented; A6 Internationalist; A7 Literate; A8 Pacifist; A9 Political Economist; A12 Radical; A13 Social Activist and Critic; A14 Socialist; A15 Utopian.

4G. CHASE, STUART, *THE TRAGEDY OF WASTE* (NEW YORK: MACMILLAN, 1925)

This early book of Stuart Chase is, in the writer’s view, his best effort and should be read by anyone interested in Chase’s works. *The Tragedy of Waste* needs not only to be reprinted but also revised in an updated version for this new century and new millennium.

The book starts with a very fine analogy of four campers in Northern Ontario. One camper brought back poisonous toadstools for a mushroom soup. The second slept on the beach. The third one cut down some tall trees for tent poles, well in excess of a rope slung between two standing trees. The fourth camper let a fire get out of control (1–2). Chase drew these classic analogies:

1. The toadstool broth represents the manpower, which flows into the furnishing of vicious or useless goods and services—patent medicines, opium, super-luxuries, the bulk of advertising, war.
2. The sleeper on the beach represents the manpower which on any given working day is doing nothing—by virtue of unemployment, strikes and lockouts, preventable accidents and diseases, the idle rich and the wandering hobo.
3. The hewer of tent poles represents the excess manpower required to produce and distribute necessities and comforts because the technical arts—the best way of doing the job—are not made use of. Failure to use scientific management, standardization failures, excess plant capacity, restriction of output, lack of cost control, cross hauling, failure to utilize by-products, excessive distribution costs, and above all the failure to coordinate national production to national requirements—demonstrated as not beyond the range of human administrative capacity, by the war—all combine to force the taking of two steps where one would suffice.
4. The fire builder represents the waste of natural resources. In lumber, coal, natural gas, oil, minerals, soils, fisheries, a continent has been gutted, and for every ton reclaimed, a ton and more has been needlessly and irretrievably lost (p. 2).

Chase spent some pages trying to differentiate between the horrible wastes of World War I and the successful actions to control waste by the War Industries Board. Chase felt that the Board's success proved society could control waste (p. 3). He wrote:

War control lifted the economic system of the country, stupefied by decades of profit seeking, and hammered it and pounded it into an intelligent mechanism for delivering goods and services according to the needs of the army and of the working population. Money tended to fall out of the picture. The war boards thought summarily in terms of tons of steel, bushels of wheat, and board feet of lumber. This extraordinary unity, this extraordinary common sense—despite many initial blunders—succeeded in withdrawing a quarter of the working force, and yet raised the standard of living for the underlying population (p. 10).

Chase wisely allowed for the vagaries of “waste” and of the wide ranges of the amount of “waste.” Not surprising from his science background at M.I.T. and from his deep fascination with Veblen’s and Scott’s technocrat efforts of the early 1920s, Chase chose the engineering view of “waste”:

...Waste will always be more or less of a relative term meaning different things to different people. An exact and universal definition is out of the question. On the whole we incline, for the purposes of this book, to the engineer’s definition—namely, any bar to maximum use value of output at minimum real cost in energy and materials...(p. 16).

Chase also chose to base most of his measurements on physical terms, rather than on monetary terms. “Money after all is not very digestible. It has its uses and it has its abuses, but greenbacks under a boiler never raised a pound of steam” (p. 17). Chase particularly liked John Ruskin’s use of the term “illth.” “Goods to satisfy true wants he defines as ‘wealth,’ the perversion of wants and harmful products he calls ‘illth’” (p. 30). Chase was hopeful that the great and hopeful scientific management approaches of Frederick W. Taylor, Herbert Hoover, and the American Engineering Standards Committee would be able to control the many blunders associated with scientific management, especially with its approach to the psychology of the worker (p. 33).

Chase certainly realized that “illth” was a different and somewhat dangerous term to employ in an operational mode. Since his public accounting example of “illth” must have come from his father’s CPA firm and his superior may have been none other than Harvey Stuart Chase, the example is worthy of a full quote.

We knew a young man once who got hold of the conception of illth at an impressionable age. He was employed in the office of a firm of certified public accountants doing a general commercial practice. One day he would be on the books of a shoe factory, the next day on those of a city government, or a distillery, or a transit company, or a drug concern. In one year he worked for 51 different clients according to his time sheets. With Mr. Ruskin in one hand and his time sheets in the other, he tried to divide his year’s work into that which helped to produce wealth as against that which helped to produce illth. Of the former he found 30 cases; of the latter 12, leaving 9 in which he could come to no conclusion. But what he could conclude was that he had wasted at least a quarter of his year on the 12. He showed his chart to a member of the firm—thus disclosing his appalling naïveté—and suggested that the firm discontinue engagements with the producers of illth. His superior was not impressed with this suggestion. “Do you think I’m a church warden; do you think I’m in business for my health!” he said, as he pounded his desk. And he gave the young man some sound advice as to how to get on in the world (p. 56).

Chase, using Veblen, railed against investment bankers taking operating control of business. Safety of dividends is favored over production

focused on public service (p. 104). Chase continued his praise for scientific management, using examples of the time-study of labor of washing dishes at home and of President Taft's Commission on Economy and Efficiency – on which his father was a member and Stuart Chase was his helper (p. 153). Stuart Chase lobbied hard for cost accounting.

The Federal Trade Commission reports that out of 250,000 manufacturers in the United States, only 12,000—about 5 per cent—have cost systems of any kind. A cost system is a device for telling how much a given product—a book, a steel rail, an automobile, a pencil—actually costs to make. It is invaluable for setting fair selling prices but its chief virtue from our man-power viewpoint, is the information it gives executives as to how to plan their work in order to secure a maximum output with a minimum of effort. It shows the number of man hours, or machine hours involved on each job, it shows the wastage and spoilage of material, it discovers where leaks and losses enter. A good cost system is a sign of good internal management, the absence of a cost system, a 'figgerin', 'calating', guessing, management—in brief, in plants where cost finding is already demonstrably practicable—a wasteful management (pp. 160–161).

Chase began his long interest in applying the principles of scientific management to avoid employees being round pegs for square holes (p. 163). Standardization, or, as he favored, “simplification,” was another plus of scientific management (p. 172). He lamented about the United States' failure to adopt the metric system.

We cannot close this brief review of standardization without at least a word as to the potential saving through a wide adoption of the metric system. The American Metric Association has estimated that one year of school life for every American child could be saved if the decimal system of weights and measures replaced the pints and feet and acres and rod, the quires and reams, the bushels and pounds of the present immemorial usage. We confess it is with sorrow that we see a child enter upon this uncorrelated, illogical—almost mystical—desert of mathematics. And certainly, in later life, 50 percent of all clerical labor dealing with weights and measures could be saved by the introduction of the metric system. The Metric Association puts the total loss at \$800,000,000 a year, the equivalent of 400,000 man-power (p. 174).

Chase used examples by King C. Gillette and C.E. Knoeppel on over-capacity. Knoeppel felt that it was caused by frantic building during booms and then idleness of capacity during normal times (pp. 180–181). Chase used a shoe manufacturer to illustrate wasted capacity due to poor planning to achieve a “balanced load.”

Suppose as a shoe manufacturer you have to make 9,000 pairs of shoes in a year to meet your market. The least wasteful way to make them is in a shop just big enough, and with just enough machines to turn out 30 pairs a day which, on the basis of 30 working days will give the 9,000 pairs. But suppose your orders are for 3,000 pairs in February, for the spring trade, and for 3,000 pairs in August, for the fall trade, and that these orders are not given-due to style factors—until the first day of those months. To meet the order you

must enlarge your shop to a capacity of 100 pairs a day. In February and August you are working furiously on a 100 pairs a day basis. Thus you produce the 6,000 demanded. During the other ten months, your output averages hardly more than ten pairs a day. February and August are the “peak load” months, and they determine the capacity of the shop. You must accordingly have over three times as large a shop, and three times as much machinery, to make 9,000 pairs of shoes on a *peak load basis*, as you would require on a balanced load basis of a steady 30 pairs a day (pp. 184–185).

Chase traced the growth of selling and distribution by decade from 1850 to 1920, in which year production effort became just lower than selling and distribution (p. 213). He found excess capacity in retailing, as he found it in manufacturing (p. 221). Household engineers were greatly needed (p. 231). Natural resources were wasted, especially the failure to salvage by-products.

And, perhaps even more serious still, is the failure to salvage by-products. Untold riches in fertilizers, dyestuffs, chemicals are allowed to go up in smoke—their only function to increase the ugliness, the ill health, and laundry bills of our cities. The smoke nuisance is thus a knife with double edge—we waste power, heat, and by-products, in order to waste health, beauty, and cleanliness. Thus while a straight loss in tonnage is more serious from the point of view of our children, than from our own, the failure to utilize smoke, deprives us of a great increase in wealth here and now, besides casting dinginess and gloom over all our industrial civilization (pp. 238–239).

He gave vivid examples of waste in waterpower (p. 245), oil exploration (p. 250), milk (p. 262), and liquor of beet sugar factories (pp. 262–263). Chase summarizes his efforts in these two paragraphs, the second of which was his concluding paragraph.

A summary of waste

In the foregoing chapters we have tried to run a chain and compass line through a more or less trackless field. Too often the needle has trembled, the chain broken, the line left its course. To gather in one brief volume the many viewpoints, the twisting concepts, the assorted philosophies—and some measure of the quantitative data—of the problem of economic waste is a difficult task. Classifications, however carefully planned, usurp one another’s territory. Illth merges into the technique of production, production into distribution; man-power is inextricably bound up with materials. Separation for the purposes of exposition has been inevitable, but the underlying separation in fact is more dubious, and often nonexistent except in a very general way. An aeroplane view of America would disclose a very large fraction of the available manpower workless on any given working day; would disclose another large fraction making and distributing things which are of no real use to anybody; and a third fraction taking two hours to do a job which engineers have found can be done in one—and which some men are actually doing in one (pp. 268–269).

...

No, illusions we may have, but they are pierced with the stark arrows of the repeated helplessness of mankind before its destiny. In the war we glimpsed control, but it was control only to further a vaster and more tragic waste. Where are the scientists and

statesmen to dig their hands and brains into this roaring wilderness—so finely wrought in isolated detail—and bring from it ordered cities, impounded waters, terraced and tended forests, the sweep of great transmission lines, clean rivers, workshops planned with the dignity of cathedrals, and the end of grime and poverty, and despair (p. 280)?

Lanier (1970) listed three contemporary reviews of *The Tragedy of Waste*. All were laudatory. In the November 25, 1925 issue of *The Nation*, Henry Raymond Mussey commented on Chase's hopes for a more abundant life, as well as for more abundance due to the elimination of waste. "To dream such a dream is to turn economics into poetry, which is all that makes it worthwhile," wrote Mussey (p. 601). He ended with "And the dreamer of today shall be the architect of tomorrow" (p. 601).

In the December 19, 1925 issue of *The Saturday Review of Literature*, W.E. Woodward wrote that the American nation was still in the making and had not yet become adjusted to the harsh facts of existence (p. 429). He believed Chase's book might be the means of adjustment. Woodward ended his review with this paragraph:

You will like Mr. Chase's graceful and compact style, and the ease with which he wields a large number of prickly and angular facts. Statistics never become heavy in his hands. *The Tragedy of Waste* is, in my opinion, one of the most important books that has appeared in America in this generation. Congress should pass a law compelling every American citizen to read Mr. Chase's book at least once (p. 429).

Paul F. Gemmill, in the June 1926 issue of the *American Economic Review*, also stressed the hopeful nature of Chase's book. "...Mr. Chase has made concrete and vivid a situation which, in a general way, all have known to exist. And, not least of all, has demonstrated that a factual study may, in its presentation, be genuinely exciting" (p. 348).

By far the most significant review of *The Tragedy of Waste* came from Thorstein Veblen, himself. Chase related this story in his Foreword to the 1934 reissue of Veblen's *The Theory of the Leisure Class*. Chase had sent Veblen a copy of *The Tragedy of Waste* and Veblen had contacted Chase for a meeting. After an exceedingly slow start of the meeting, in which there was a 10-minute period of silence, Veblen finally spoke. Chase wrote:

The gray lips stirred. "Your book," he said, "is too simple, too logical. Man is not a logical animal, particularly in his economic activity. But you have gathered some interesting facts. You have documented the conception of economic waste more thoroughly than it has been done before." My heart bounded. "But," he continued, a gleam of animation in the gray face, "do not expect any attention to be paid to it. Work of this nature, excellent as it may be, does not command attention, at least not yet. Some day, perhaps. I wanted to tell you that I appreciate your references to me, and that I think your work, while oversimplified, is a contribution to that kind of economic thought in

which we both are interested. You have a feeling for facts. Hold to them...I am very tired. You will forgive me.” He held out his hand, and I left my earlier resentment replaced with a deep glow of sympathy and encouragement (pp. xi–xii).

The writer found *The Tragedy of Waste* to be the most meaningful of all of Chase’s writings. The writer will second the reviews of both W.E. Woodward and Thorstein Veblen. The writer hopes he has motivated the reader to read or reread *The Tragedy of Waste*, which needs to be reprinted. But not only does it need to be reprinted, it needs to be redone for the early years of the 21st century and the start of the 3rd Millennium of the Common Era. The writer is hopeful that readers can update and increase the number of Chase’s four analogies. What a magnificent challenge that would be.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T6 Consumer Affairs; T7 Human Relations; T8 Machinery; T9 Planning; T10 Resource Management; T11 Social Sciences; T12 Training; T13 U.S.S.R.; T14 Waste; T15 Zoning. **Key Attributes:** A11 Progressive; A13 Social Activist and Critic; A15 Utopian.

4H. CHASE, STUART AND F.J. SCHLINK, “A FEW BILLIONS FOR CONSUMERS, I,” *NEW REPUBLIC*, DECEMBER 30, 1925, PP. 153–155

This article was a prelude to the formation of Consumer Union by Chase and Schlink. Like Chase’s analogy of the War Industries Board during World War I as being a role model to reduce waste, Chase and Schlink use the analogy of the Bureau of Standard’s role in federal procurement “for an operating cost of \$2,000,000, it is estimated that the Bureau of Standards saves the government better than \$100,000,000 every year – as investment which nets fifty-fold” (p. 153). Chase and Schlink quoted many examples of savings, as the following example.

...Instead of Dermax for moistening stencils, which costs \$3.20 a gallon in wholesale lots, the government uses a compound worked out in its laboratories which costs from 5 to 23 cents a gallon, and is equally good. ...(p. 154).

Chase and Schlink continued with the example of cotton sacks versus burlap for cement. The superiority of cotton sacks would save \$3,000,000 for the users of cement (p. 154). The writers described the process used by the Bureau of Standards.

...When a given product is under consideration, the Bureau of Standards' engineers first secure samples of all varieties in the field, and subject them to rigid tests. Thus they inform themselves as to current status of the technical art, and also determine comparative quality. Secondly, they go into the field of pure theory and ask, what is the highest quality obtainable; what is the perfect product? There is some higher mathematics and a formula or two. Then the engineers write a *specification* based both on theory and on the available types. The specification represents the best type for the purpose on hand as governed by the practicable limits of manufacturing and reasonable cost. The specification is then presented to manufacturers for their bids. When the manufacturer says—as he sometimes does—that it cannot be made, the Bureau's engineers will either go out and show him how to make it—which has often happened, or if he is right, they will lower the specification a notch or two (p. 154).

Chase and Schlink ended the article with a call for action which, through their leadership, was successful in 1927 with the formation of the Consumer Union and Consumer Reports. (Chase, "How It All Began," 1961, p. 258). Their call for action follows:

A group of small consumers buying to specification may well equal one large government purchase, and while the physical cost of distribution to the small consumers must inevitably be more, and so increase the cost somewhat, the larger savings of the five channels are potentially identical for both.

There are billions to be won if the consumer—both ultimate and intermediate (like the cement industry)—can follow the example of the federal government in purchasing material. Information as to comparative quality—as exemplified in testing automobiles—is one arm of the technique; buying to specifications which flow from the tests and research is the other. Who shall conduct the tests, and what are the practicable possibilities of making the method available to the general consumer, will be considered in a subsequent article (p. 155).

Key Topics: T3 Business; T6 Consumer Affairs; T14 Waste. **Key Attributes:** A10 Popularizer; A13 Social Activist and Critic.

4I. CHASE, STUART, "CHANNELS OF WASTE," *SURVEY*, 56, MAY 15, 1926, PP. 251–254

While the piece was basically a summary of points raised in *The Tragedy of Waste*, Chase did, somewhat, revise his opening analogy. In this piece, he utilized a book by Jules Verne, who wrote *Mysterious Island* about four men abandoned on a desolate spot of land in the Pacific (p. 251). While Verne's book had a happy ending, Chase's analogy did not.

But suppose that one had given all his energy to making mud pies, one had spent his days sleeping on the beach, one built a house on the plain by bringing stones from the

top of a hill, while the last, in his haste to clear a field, burnt all the timber on the island. (p. 251).

Chase employed one more example of his utopian goal of achieving the engineering maximum of 100% efficiency. He wrote:

Such a conception is akin to the theoretical thermal energy of a ton of coal. The energy is undoubtedly there, but no engine has yet been invented, or ever will be, which will reclaim the full 100 percent. Meanwhile it presents a permanent target to shoot at, a perpetual stimulation to inventors. Similarly this vision of a great land ordering and controlling its economic life on the principle of maximum output with minimum effort constitutes a useful stimulation of the statesmen and the engineers of the future (p. 253).

Chase then reverts to his good–bad comparison between engineers (good) and bankers (bad) and businessmen (bad). The writer of this book believes that the Stuart Chase of this era of the 1920s was not the same Stuart Chase of the later stages of his life after 1941. However, in 1926, Stuart Chase remained, in the writer’s view, heavily under the influence of Thorstein Veblen on the subject of engineers, bankers, and businessmen.

Between his estimate as a minimum, and the upper limit of pure theory as a maximum, the truth of the matter must lie. The engineering type of mind will tend to the higher registers, the hard boiled businessman to the lower. Any accurate quantitative assessment lies forever beyond calculation—if for no other reason than that every advance in the technical arts, every new method of by-product conversion, every tapping of new sources of power, shifts the basis of assessment (p. 254).

Since the writer has a goal of both adding to and making more contemporary Chase’s analogies of waste, this piece is significant. In it Chase utilizes Jules Verne and makes reference to Daniel Defoe’s character, Robinson Crusoe. There will be a more detailed discussion of *Mysterious Island* in the next chapter. The writer wonders how many more books like *Mysterious Island* and *Robinson Crusoe* are available for analogies of waste. Hopefully, experts in literature can name more. Also, the writer is forgiving of Chase’s seemingly negative attitudes toward bankers and businessmen. Bankers have a cautious role to play in our society. Businessmen certainly are interested in efficiencies but do probably, of necessity, close their eyes to the issue of Ruskin’s “illth.”

Key Topics: T3 Business; T10 Resource Management; T14 Waste.
Key Attributes: A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

**4J. CHASE, STUART, “HENRY FORD’S UTOPIA,”
NATION, JULY 21, 1926, PP. 53–55**

There were businessmen that Chase admired. One was Henry Ford, who did these following things and more, as described in his book *Today and Tomorrow*.

...in keeping inventories on the move and never frozen in storehouses; in eliminating the bulk of bookkeeping; in showing farmers how to farm and how to coordinate farming and manufacturing; in making transportation per unit of output ever shorter, lighter, less bulky; in never giving a man a job a machine can do; in realizing—and acting thereon—that waste-elimination means prevention, not recovery—preplanning, not salvaging the breakage; in utilizing waterways as no industry before has ever had the intelligence to utilize them; in taking pride in the fact that “we have no trade secrets”; in building hospitals around a standard room instead of jamming rooms into a predetermined wall space; in keeping every square inch of his immense holdings spotlessly clean, sanitary, and, so far as may be, comfortable for the human beings which must inhabit them (p. 53).

Chase was less sanguine about Ford’s failure to contemplate “any industrial general staff for coordinating national requirements with production” (p. 54). Chase ended his review of *Today and Tomorrow* thusly:

I might be willing to vote for Ford as industrial Czar of America during good behavior; but his Utopia of competitive giants flares, dims, and turns to ashes before my eyes.

Which is not saying that my children will not live under it (p. 55).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T8 Machinery; T9 Planning; T10 Resource Management; T14 Waste; T15 Zoning. **Key Attributes:** A9 Political Economist; A10 Popularizer; A15 Utopian.

**4K. CHASE, STUART AND F.J. SCHLINK,
YOUR MONEY’S WORTH: A STUDY IN THE
WASTE OF THE CONSUMER’S DOLLAR
(NEW YORK: MACMILLAN, 1927)**

Chase was quick to reference his CPA status in the forward to the book. He was also noted as a director of the Labor Bureau and for his years on the staff of the FTC. F.J. Schlink was noted as “...a mechanical engineer-physicist and Assistant Secretary of the American Engineering Standards Committee” and was on the staff of the National Bureau of Standards.

Chase and Schlink pronounced *Your Money's Worth* as having the goal of education and not muckraking (p. 77). They used the example of laboratory alcohol to illustrate that point.

The University of Minnesota found itself some years ago paying just half as much for laboratory alcohol as a university in a near-by state; the same seller filled both orders for an identical grade and quantity on the same day. Various university purchasing agents, patronizing only three dealers, were found to be paying all the way from 65 cents to \$6.00 per gallon for the same alcohol. A pool order for 5 carloads enabled the purchase to be made for 25 cents per gallon. (The ordinary consumer will pay twice that much for a *quart* and if it is bottled under a brand name, as rubbing alcohol, up to \$1.50 a quart.) The same purchasing agents found that a certain bristle broom made up according to Bureau of Standard's specifications outwore other costing twice as much (p. 79).

The authors developed the history of the Bureau of Standards from its inception in 1901 (p. 198). Its high watermark for employees was reached during World War I. They felt that the Bureau was steadfast in its tradition of scientific impartiality (p. 199). The result of its specification process was significant in many cases.

It must be admitted that the Government does not always obtain lower prices or better goods than the private or corporate consumer. Much of the effectiveness of federal technical work is frittered away by obsolete and bureaucratic purchasing regulations. Prices on some Government supplies are as high as the consumer pays at retail; on some they are much higher than the large department store will pay for the same material in similar quantities. But on many others—where demand is known and can be determined in advance—prices are often less than half of what the private merchant pays. Proprietary articles with their inevitable price inflation are almost never purchased by the Government as such. They may be furnished under specification as a price reasonably consistent with the cost of their ingredients, by a maker willing so to market his product. In short, one supremely important fact stands out. The Government always knows the quality of the goods it buys. It is never swayed by the magic of advertising. It has left Wonderland for good and all. The goods it purchases are suited to specific and definite requirements. And the price that it pays for many of those goods is far lower than prices paid for similar quantities bought by outside organizations not supported by the testing technique (pp. 202–203).

The authors found the work done by the Bureau of Home Economics of the Department of Agriculture to be the nearest of governmental help for the ultimate consumer (p. 208). The authors also used examples from the private sector, like the following one from General Motors.

The laboratories of the General Motors Company provide us with a simple yet dramatic case showing at once the technique of testing, and the great values which often flow from it. A fan belt is a small part of an automobile but it can give a large amount of trouble. A few years ago General Motors engineers decided that fan belts were not standing up the way they should, and that something ought to be done about it. First they devised a

testing apparatus which would give a fan belt as much wear in the few hours as it would get in many months of service—a sort of concentrated joy ride.

With this apparatus they found that the best belt they could buy lasted just 7 hours. Why did it not last longer? This is the first question a research man asks. They analyzed the situation carefully. As a result they made a belt that lasted 8 hours, then one that lasted 10 hours. Whereupon they decided: “This is not the right way to make a belt.” They made it a new way and got 50 hours! Another improvement brought it to 75 hours. Then they tried a third method of construction and the belt ran for 120 hours. Still unsatisfied they improved it again and got 350 hours—or fifty times the length of service of the best belt when the tests began! At this point the belt manufacturers came into the picture, and cooperating with the General Motors engineers developed belts which run over 800 hours. And the end is not in sight (p. 234).

The important achievements of Chase and Schlink in founding Consumer Union and its *Consumer Reports* have already been noted. An example of the far-reaching significance of *Your Money's Worth* was the reference to this work by President Richard Nixon in his October 30, 1969 Special Message to the Congress on Consumer Protection. The last two paragraphs of the message illustrate the universalities of Chase's efforts.

Interest in consumer protection has been an important part of American life for many decades. It was in the mid 1920s, in fact, that two of the leading consumer advocates of the day, Stuart Chase and F.J. Schlink, reached the following conclusion: “The time has gone—possibly forever—,” they wrote, “when it is possible for each of us to become informed on all the things we have to buy. Even the most expert today can have knowledge of only a negligible section of the field. What sense then in a specialized industrial society if each individual must learn by trial and error again and forever again?” It was clear at that time and it is clear today, that the consumer has received some of that needed help through the years, from a variety of sources, private and public.

Our program is a part of that tradition. Its goal is to turn the “Buyer's Bill of Rights” into a reality, to make life in a complex society more fair, more convenient and more productive for all our citizens. Our program is fair to businessmen and good for business, since it encourages everyone who does business to do an even better job of providing quality goods and services. Our action is intended to foster a just marketplace—marketplace which is fair both to those who sell and those who buy.

Richard Nixon
The White House
October 30, 1969

Obviously, this true classic of consumer affairs does not have accounting as an even minor thrust. The writer finds it interesting that Chase stressed his CPA as the first point as to his expertise, as well as mentioning his experiences at the FTC as the third point. Was Chase like Shakespeare's lady in his protestation about his boredom in practicing in accounting?

Key Topics: T3 Business; T6 Consumer Affairs; T9 Planning; T14 Waste.
Key Attributes: A9 Political Economist; A10 Popularizer; A13 Social Activist and Critic.

4L. CHASE, STUART, “THE PRACTICAL MAN AND HIS WORLD,” *NEW REPUBLIC*, JANUARY 5, 1927, PP. 183–186

In this piece, Chase takes a sardonic look at a typical businessman, Mr. Richards, and compares him and his society to other ages and venues. Chase saves his harshest words for bookkeepers. He claims Richards is “no beaten bookkeeper” (p. 184). They work across the river in New Jersey.

Here are clerks, hundreds of thousands of them, hunched over ledgers, solemnly recording the sane and the insane aspects of Mr. Richards’ game. They will write you a voucher for No.1 winter wheat, or for a case of pills warranted to cure cancer; for a flyer in Southern Pacific, or for elegant town sites in Florida which are still under water. Spread on the pages of their journals, life, with its colors, its angles, its fineness and its terror, is at last standardized and brought to heel. Dollars and cents and mills; row on row, column after column; post, check, turn the folio, carry forward. If these fat books are not the Nirvana of absurdity, the antithesis of all the biological implications of man, then history has nothing to teach us. And the indignity of tending them bows down the souls of all their slaves. A beaten race, grasping in their despair at any straw—even correspondence courses which undertake to develop the personality. Henry Ford, among his other achievements, has dispensed with the bulk of his detailed bookkeeping. He is a specialist, and a rare one, on discovering business absurdities (p. 185).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T14 Waste. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

4M. CHASE, STUART, “EMPLOYEE REPRESENTATION PLANS AND LABOR ORGANIZATIONS: DISCUSSIONS,” *PROCEEDINGS OF THE ACADEMY OF POLITICAL SCIENCES*, XIII, 1928 (1930 PUBLICATION DATE), PP. 145–147

Chase related some of his experiences at the Labor Bureau to the topic of “Employee Representation Plans and Labor Organizations.” He started with a basic premise: “...I would like to stress the importance of the unions’

knowing the true financial condition of the employer as a basis for working out a real cooperative agreement” (p. 145). He elaborated further:

The worker too often believes in a myth of fabulous profits. He is in a fair way, accordingly, by pressing his demands too far, to ruin his employer’s business and to do himself out of a job. That has happened in the past. On the other hand, if he does not know his employer’s financial condition and earning power, he may be led astray to his employer’s protestations of poverty unsupported by facts and refrain from making a strong attempt to get a more equitable division of what may be an unreasonably high rate of profit.

In the organization with which I have been connected, we have made a number of financial surveys of employers’ profit-and-loss accounts, balance sheets and general financial conditions. We have worked out a definite technique that is a valuable thing for labor organizations and I think also for management. For instance, in the New York printing trades, I made a joint survey with an accountant who represented the employers. We went over the books of some five hundred printing shops throughout the city and reported accurate and truthful results covering a period of years as a basis for wage negotiations. My brother accountant and myself made one joint report as to the facts and then we made our separate interpretations of the facts (pp. 145–146).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T7 Human Relations. **Key Attributes:** A1 Egalitarian.

4N. CHASE, STUART, “A VERY PRIVATE UTOPIA,” *NATION*, MAY 16, 1928, PP. 559–562

In the first of a series by different writers describing the world in which they would like to live, Stuart Chase offered what would reduce him to merely existing. After ill health, his second was “Monotonous work with no discernible goal – such as auditing, indexing, dishwashing” (p. 560). Obviously, for all the talents of Harvey Stuart Chase, one was not the instilling in his son the purpose of auditing. The writer has heard, many times from former students, the same lament about auditing. It is one lament the writer has never had, as auditing was always an exhilarating experience to him. Was Chase serious about this classification of the first 10+ years of his work life? Whatever the answer, the writer notes much work needs to be done both academically and professionally to make auditing perceived as an exciting experience.

Key Topics: T1 Accounting, Budgeting, and Taxation. **Key Attributes:** A15 Utopian.

**40. CHASE, STUART, “PUTTING HALITOSIS
ON THE MAP,” *SURVEY*, NOVEMBER 1, 1928,
PP. 127–129, 183–185**

Chase wrote that 50–90% of advertising was sheer waste, as admitted by the testimony of advertisers themselves (p. 128). He wanted to employ the use of standards to cut this waste.

Production has become a science. Consumption is still in the realm of astrology. I believe that there is a very substantial cut to be taken in the cost of living by introducing standards, knowledge, science, into consumption, the unsuitable effect of which will be to debunk, the bulk of modern, legal, competitive advertising... (pp. 128–129).

Again, individual decision makers can be motivated to cut useless advertising costs in their organization by realizing advertising is a social phenomena that can and should be measured as productive techniques are. One must get beyond the global nature of Chase’s arguments to the more local levels.

Key Topics: T3 Business; T6 Consumer Affairs; T11 Social Sciences; T14 Waste. **Key Attributes:** A13 Social Activist and Critic.

**4P. CHASE, STUART, “IMPRESSIONS OF BUSINESS
LITERATURE,” *BOOKMAN*, 68, JANUARY 1929,
PP. 512–518**

It is interesting to note Chase’s method of learning from technical books, with accounting technical books as his example.

As a rule, these books are competently written and, replete with diagrams and illustrations, tell their technical story about as well as it can be told. You will not learn to be a good accountant by reading these competent books (I tried it once), but when you have yourself struggled with a dozen sets of records in as many offices, then Messrs. Hatfield, Montgomery and the rest can be of real service—up to a certain point. As you read them you can orient to concrete things which you have seen and handled and so expand your knowledge. But you must be wary of being swamped by competent texts, for if the publishing houses had their way you would buy and start to read a new one nearly every night (p. 514).

Chase found hope in the improving literature dealing with scientific management, which had begun to realize the importance of human behavior. He wrote:

... Take the whole body of scientific management up to say, five years ago, when some improvement set in. It rode roughshod over the timeless delicate mechanism of homo sapiens, and proposed, if you please, to do the job in the quickest physical way, on the general principle that a man was a traveling crane. Businessmen read this precious quackery in herds and sought to do likewise, only to have one costly plan after another break down in shop after shop because human flesh and blood could not tolerate it. Right lately the technique has shifted in the direction of common sense and is making some headway, though only a fraction of the headway possible if anybody really knew anything about industrial psychology (p. 516).

Chase ended with the feeling that, while the percent of real objective interpretations of business were then minute, their number was appearing to expand and possibly would be genuinely great literature. He felt this was unique to the United States (p. 518).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T7 Human Relations; T11 Social Sciences; T12 Training. **Key Attributes:** A7 Literate; A9 Political Economist.

4Q. CHASE, STUART, “SLAVES OF THE MACHINE,” *HARPERS, MARCH 1929, PP. 480–489*

Chase continued to write about his belief that well-developed studies in social science would lead manufacturers to see that better, more scientific treatment of workers would lead to the reduction of costs and increased profits (p. 488). Chase felt that all the talk of machinery enslaving the workers was nonsense (p. 489). What was not nonsense was management’s insensitivity to the worker. Chase takes an aggressive stance in his concluding paragraph.

The real dangers, as against the phantom ones, lie in the fact that altogether too many workers are being needlessly hurt in accidents by improperly controlled machines, and that an unknown number, in the absence of fatigue curves or other tests, are doing repetitive work for which they are temperamentally unfitted, and so tearing themselves to pieces. Rather than wail about machinery the enslaver, I suggest the creation of a strong-arm squad to deport any manufacturer who permits machines to mangle his workers, or who puts workers upon them without first testing their ability to stand the rhythm. All machines, which by their basic design are over-dangerous either to body or to mind, should forthwith be melted down in the nearest blast furnace. However efficient they may be, they are too costly for society tolerate (p. 489).

Key Topics: T3 Business; T7 Human Relations; T8 Machinery; T11 Social Sciences. **Key Attributes:** A12 Radical; A13 Social Activist and Critic.

4R. CHASE, STUART, “LAID OFF AT FORTY,” HARPER’S, AUGUST 1929, PP. 340–347

Chase utilized two references to accounting in this classic piece. One was that of the invention of the adding machine:

When I was a cub accountant I used to marvel at the phenomenal speed with one of the older men on the audit used to foot columns of figures. For years he had been invaluable, particularly in bank auditing. Suddenly we introduced an electrical adding machine into the office and after a month of practice I could readily outdistance the veteran computer who had spent his life in acquiring the art (p. 347).

The second reference was to displaced accountants and bookkeepers who had spent the best of their lives with one organization. They were particularly hard hit by rejections (p. 347). However, Chase did offer hope for the elderly workers.

Secondly, we need a careful, nation-wide study of jobs in the modern world, conducted primarily to determine what positions the older man is capable of filling as well, or better, than the younger man. I am convinced that there are millions of such jobs, particularly in the growing automatic processes. Much of the present discrimination is arbitrary, stupid, and criminally foolish. Instead of depending upon the biological fitness of a given individual for a given piece of work, it depends upon an Arabic symbol—of which 40 is the favorite today. Tomorrow, if we let matters drift, it may be 35 (p. 347).

Sadly, in the writer’s view, no such study seems to have been done ever in accounting. Has any field done this study? With our increasing lifespan and increase in the age at which one collected his full social security check, this study is needed now more than ever. Like the aforementioned topic of “waste,” Chase leaves us with another unfinished opus.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T7 Human Relations; T8 Machinery; T11 Social Sciences; T14 Waste. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

LOOKING FORWARD

The stage has been set for Chase’s arrival as a key policy maker and policy player from 1930 through 1941. The Great Crash of the stock market in October of 1929 and the inability of Herbert Hoover’s efforts to shake the United States out of its depression and the Great Depression led to prophets coming from the wilderness into some measure of power. Chase was ready, willing, and able.

DEPRESSION AND THE NEW DEAL, 1930–1941

The ground was set. Stuart Chase was well positioned. He very successfully grabbed the brass ring of the New Deal and the excitement brought to the country in 1933 by President Franklin Delano Roosevelt and, also, by Eleanor Roosevelt. Chase is probably best remembered for his work in this stage of his life.

5A. CHASE, STUART, “THE NEMESIS OF AMERICAN BUSINESS,” *HARPER’S*, JULY 1930, PP. 129–138

Chase listed “bookkeeping machines” as one of the examples of technological unemployment. While additional labor is needed to service the machines, there still is a significant drop in jobs (p. 136). Chase referred to two organizations that had dealt with technological employment by accumulating funds during good times to help the workers in hard times. The two organizations were Dennison Manufacturing Company and the Amalgamated Clothing Workers (p. 138). Chase ended with this paragraph:

As a certified public accountant, I have been examining corporation balance sheets for many years. Seldom do I find one without a “surplus” account on the credit side, and frequently appropriated surplus, variously entitled “reserve for dividends,” “reserve for depreciation,” “reserve for bad debts,” “reserve for expansion.” But a “reserve for unemployment,” I have never seen. The dividends and equities of stockholders have been protected by many ingenious devices. It is time, and more than time, that the flesh and blood which provide them receive at least equal consideration (p. 138).

The Life and Writings of Stuart Chase (1888–1985): From an Accountant’s Perspective Studies in the Development of Accounting Thought, Volume 8, 59–88

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Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T7 Human Relations; T8 Machinery. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

5B. CHASE, STUART, “THE LUXURY OF INTEGRITY,” *HARPER’S*, AUGUST 1930, PP. 336–344

In another one of his reflective – and, in this case somewhat painful – looks at himself, Stuart Chase elaborated on the horrors of the FTC investigation of the profits of the meatpackers. Chase wrote this about one of his subordinates, whom he had befriended over a 2-year period.

He ransacked my private files and turned over any evidence showing liberal political tendencies on my part to the aforesaid mammoth corporations. He came into my office late one evening—“Chase, I’m a Bolshevik. I’m fed up with the whole damned capitalist system. I’d like to help kick it over. I’d like to join something. You know about these socialists and I.W.W.’s. I see you reading pieces about them. Tell me all about it, shoot the works, tell me what I ought to join. I’ll pay my dues.”

At first I thought the poor boy had really come to the end of his rope; that this was a last desperate gesture before the white-collar routine doomed him altogether. Then I began to realize that he was lying; that he was hoping to pick up some information from me which could be twisted in such a way as to discredit my work in the investigation. (Not that I had much to offer.) I went on with my columns of figures, and gradually his receptive attitude waned. “Aren’t you going to tell me anything?” he whined. “No,” I said. “And I guess you had better go.”

He took his hat and went and, as the door closed behind him, I knew that the man I had befriended could not afford the luxury of integrity. Someone was paying him to act as a spy. His government salary was little enough, while his wife had definite ideas about her proper position in the world. He had been bought (I doubt if the vendee got his money’s worth). I was bitter at the time, but today that bitterness is tinged with pity. He is only one among many Americans who increasingly cannot afford the luxury of integrity. ... (p. 336).

Chase related another story about an accountant, one much more heartfelt and cheery than the previous one.

In the case of a brilliant young accountant who, shortly after winning his C.P.A., was given an opportunity to make a million dollars, more or less, in a few months’ time. All he had to do was to approach certain corporations with an offer to split whatever rebates he might earn for them in their filed income tax returns. His share in turn was to be split with a government examiner who supplied the names of such corporations as had legitimate claims for rebates in past tax payments. He told his mother of the glittering opportunity. “Jim,” she said, “You know when I come to wake you in the morning I shake you hard, and you don’t stir?” “Yes,” he said. “And then I shake you even harder, and you give a little moan?” “And finally I shake as hard as I can, and you open

one sleepy eye?” “Yes,” “I’d hate to come in morning after morning and find you awake.” He turned down the job and has been sleeping soundly ever since (p. 342).

Key Topics: T1 Accounting, Budgeting and Taxation; T3 Business. **Key Attributes:** A2 Ethical; A8 Pacifist; A13 Social Activist and Critic; A15 Utopian.

5C. CHASE, STUART, “THE ENEMY OF PROSPERITY: OVERPRODUCTION – WHAT SHALL WE DO ABOUT IT?” *HARPER’S*, NOVEMBER 1930, PP. 641–650

Chase returned to a familiar theme of capacity and tied that theme into the beginning of unemployment during the Great Depression. Chase described the situation in 1930 with an analogy to 1921.

Far more frequent is a conflux of goods upon the market which can be absorbed, but only by a very painful lowering of the producer’s price—often below the cost of production. The phenomenon is however a very ancient one; the consumer often secures some advantage from it, if not the producer, while the nation-wide policy of hand-to-mouth buying by both manufacturers and merchants, inaugurated after the depression of 1921, has tended to reduce the ravages of overstocked shelves and sacrifice sales (p. 642).

The effects of excess plant capacity were severe. Chase’s description of these effects is a classic. He wrote:

Whether the capital equipment exceeds money power to buy, or manpower to consume, the hobgoblins in the picture are overhead costs. Taxes, insurance, interest, depreciation, obsolescence, repairs, the services of watchmen, executive and clerical salaries, general office expenses—all go merrily onward whether a wheel turns or not. If few are turning, they will eat up the profits earned on those wheels, and keep the plant as a whole operating at a loss. The greater the plant, the greater the overhead; the bigger they come, the harder they fall. But nobody in his senses builds a plant with any idea except that of continuous, profitable operations. Rosy sunrises illumine every factory chimney which climbs upward. The promoter knows that, *granted continuous operation*, his overhead expense per unit of output can be kept to a minimum. The greater the volume, the lower the overhead cost; and of course the bigger the plant, the greater the volume. He never stops to consider—the American success saga does not permit him to consider—the reverse of the shield, to wit, the bigger the plant, the greater the costs of possible idleness (p. 643).

Chase realized the difficulty in defining and determining “capacity.” He described the normal definition as “eight hours operations a day, for 300

days in a year” (p. 648). Chase then proposed a solution, which, in part, seemed like Roosevelt’s National Recovery Administration (NRA) without Chase’s proposed National Industrial Planning Board. Since Chase turned against the NRA, the absence of that Board must have been quite significant to him.

For America, industrial coordination must probably take the form of a drastic revision of the anti-trust laws; an alliance between industry, trade association, and government to control investment (i.e., plant capacity) on the one hand, and to guard against unwarranted monopoly prices on the other; a universal system of minimum wages and guaranteed hours of labor to frighten off fly by-night entrepreneurs and to stimulate purchasing power, and finally, and perhaps most important of all, the setting up of a National Industrial Planning Board as a fact-gatherer and in turn an adviser to Congress, President, industry, trade union, banker, state government, on every major economic undertaking in accordance with a master blueprint (p. 650).

In this piece, Chase set out a policy solution to the Great Depression. Much of this policy solution deals with accounting issues as “selling prices below cost,” and “definition and determination of plant capacity.” Certainly, Chase never dwelled with such accounting fine points as “theoretical capacity” and “budgeted capacity.” Chase’s version of the measurement of capacity seemed to be of a “one-shift mentality” which, in the writer’s view, sprung probably from the consensus view of the Labor Bureau. However, Chase’s interest in capacity as a social phenomena has been neglected in accounting literature.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T6 Consumer Affairs; T8 Machinery; T9 Planning. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

5D. CHASE, STUART (IN COLLABORATION WITH MARIAN TYLER), *MEXICO: A STUDY OF TWO AMERICAS* (NEW YORK: MACMILLAN, 1931)

Mexico was quite different from the items reviewed, as this book compared a Mexican city, Tepoztlan, and its handicrafts to an American city, Middletown, and its economy (p. 16). However, there is one passage dealing with depreciation, which calls for a review.

The poorest village will attempt a plaza, and often contains a vast pile of crumbling masonry which once was a great church. Pathetic are the attempts to come to terms with the iron law of depreciation. I have seen stone walls with beautiful old carving

surmounted by a huge thatched roof. The stone arches had fallen in, and thatch was the best that local talent could substitute. The architectural ensemble was deliciously fantastic—like an Eskimo hat on top of Bishop Manning. I have seen great buildings, shattered by earthquakes, where only one tiny chapel has been salvaged for current religious needs. I have seen curtain of shingles laid across a huge nave, 100 feet wide and 100 feet high, to divide utter ruin from an area where mass may still be chanted. (p. 140).

Key Topics: T1 Accounting, Budgeting, and Taxation; T11 Social Sciences.
Key Attributes: A7 Literate.

5E. CHASE, STUART, *WASTE AND THE MACHINE AGE* (NEW YORK: LEAGUE FOR INDUSTRIAL DEMOCRACY, 1931)

This piece was an amalgamation of two of Chase’s publications: “The Challenge of Waste” (1925) and “One Billion Wild Horses” (1930). In the Foreword to the work, Harry W. Laidler wrote that Chase “...stands unchallenged as the most effective, the most vivid and the most popular writer on economic problems in the country.” Laidler continued:

As the years go on, an increasing number of men and women are voicing as their own Mr. Chase’s indictment of present day conditions. Increasing numbers are urging that America advance to an industrial order where the primary aim of production is service, not private profit.

We are grateful to Mr. Chase for his unique contribution to social thinking along these lines.

The writer has already covered the four analogies that Chase used in *The Tragedy of Waste*. What is important in this work is the four additional analogies for waste added by Chase in *Waste and the Machine Age*. Chase used a book by Jules Verne, *Mysterious Island*, to establish a setting for the analogies.

Jules Verne once wrote a story, which he called the *Mysterious Island*. It was about four men abandoned on a desolate spot of land in the Pacific Ocean. Unlike Robinson Crusoe, they had access to no wrecked vessel from which supplies could be secured; they landed with their bare hands. But there were growing things upon the island; there were animals, minerals—the age long background of human life. And in the brain of the engineer who led the party there was science. With their bare hands they set to work. It was a desperate struggle, but step-by-step they forced back cold, hunger and desolation, and in the end transformed their island into a pleasant home which yielded food, shelter, clothing, comforts (p. 7).

Chase then posited that these four men, instead of pulling together, behaved as singularly unproductive human beings. Chase wrote:

... But suppose that one of the castaways had spent his days in sleeping on the beach; one had given all his energy to making mud pies; one had built a house on the shore by bringing stones from the top of the hill—when there were plenty of stones nearer at hand; while the last, in his haste to clear a field, had carelessly burned off all the timber on the island (p. 7).

Chase then, like in *The Tragedy of Waste*, explained the horrors of these behaviors.

Four madmen! Yes, mad indeed when thus seen in miniature. But in our great society these are precisely the things which untold millions of us are constantly doing. Their mad acts illustrate the four great channels of industrial waste.

1. The sleeper on the beach represents the manpower which, on any given working day is doing nothing—by virtue of unemployment, preventable accidents and diseases, strikes and lockouts—the idle rich, the Weary Willies. The great bulk, be it observed, are idle not because they want to be, but because they are forced to be.

2. The mud pie maker represents the manpower which goes into the production of harmful or useless things—patent medicines, opium, super luxuries, war preparations, adulterated goods, jerry building, the bulk of advertising quackery of all kinds.

3. The stone house builder represents the excess manpower required to produce and distribute necessities and comforts because the technical arts—the best way of doing the job—are not made use of....

4. The field clearer represents the waste of natural resources. In lumber, coal, oil, natural gas, soils, minerals, the North American continent has been gutted by methods so improvident, so careless, that for every ton reclaimed, a ton and more has gone to waste.

So what is folly and madness for four men on a desert island turns out to be normal business-as-usual in our great industrial society, considered as a whole. *If society could be organized as the engineer organized his coworkers on the island, the present 40 millions of workers in America could, as we shall see, probably double the standard of living, utterly abolish poverty, slum dwelling, ugliness and grime, while using less raw coal and iron and lumber than we do at present, and working shorter hours (pp. 8-9).*

The writer again expresses his hope that experts on “utopias,” “utopian writers,” and “utopian philosophers” will gravitate to the topic of waste and add to and update these analogies. In Chapter 8, the writer will discuss Chase as a neo-utopian and will briefly review Verne’s *Mysterious Island*.

Key Topics: T3 Business; T4 Capacity; T7 Human Relations; T9 Planning; T10 Resource Management; T14 Waste. **Key Attributes:** A7 Literate; A9 Political Economist; A14 Socialist; A15 Utopian.

5F. CHASE, STUART, “OUR SCHOOL BURNS DOWN,” *NEW REPUBLIC*, MARCH 4, 1931, PP. 71–72

The Hessian Hills School in Croton-on-the Hudson burned—apparently the school Chase’s children attended—and Chase wrote about how the students made the most of this unhappy situation (p. 71). The students played some important roles in the rebuilding process. Two of these examples dealt with accounting:

...A twelve-year-old boy has started, purely on his own initiative, a cost-accounting survey. He scents waste in the purchase and use of materials. He has prepared forms for each group to fill out over a period of four weeks, itemizing all transactions in school material. ...

...

The eleven-year olds have become the school accountants under the leadership of the entrepreneur who volunteered. They are preparing price lists, checking invoices, striving to effect economies. Every two weeks they balance the books. ... (p. 72)

Key Topics: T1 Accounting, Budgeting and Taxation; T12 Training. **Key Attributes:** A3 Family-Oriented; A13 Social Activist and Critic.

5G. CHASE, STUART, “IF I WERE A DICTATOR,” *NATION*, NOVEMBER 18, 1931, PP. 536–538

Chase listed 13 subjects, which, among others, would be examined by a group of 100 learned persons. Two of the subjects dealt with accounting. They were:

2. Federal incorporation of all companies beyond a certain size—say \$1,000,000. Full reports to be issued by them as a basis for a glorious system of industrial statistics, leading to wise measures of coordination, guidance, and control. For industries not included in the state-trust program, an integration through the agency of their several trade associations may well be in order. Mr. Benjamin A. Javitz should be summoned for advice on this score.

...

10. What is a feasible and workable scheme to control new investment so that it is not wasted in excess capacity or purely vicious projects? (p. 538)

Key Topics: T1 Accounting, Budgeting and Taxation; T3 Business; T4 Capacity; T8 Machinery; T9 Planning. **Key Attributes:** A9 Political Economist; A11 Progressive; A13 Social Activist and Critic; A15 Utopian.

**5H. CHASE, STUART, “THE HEART OF AMERICAN
INDUSTRY,” *VANITY FAIR*, DECEMBER 1931,
PP. 33–35, 80, 86**

Chase felt that there was a new industrial order in which advertising and research, both handled by functional and research specialists, led the way. He wrote:

Surprisingly enough it was the excess profits tax which gave the whole movement its initial start. Arm in arm with advertising, research received a heavy endowment during the War and the years immediately following. Corporations, loath to give their profits over to the government, looked about for expense accounts which might be loaded with more benefit to the company. Advertising and research were selected. The outlays for both were enormously expanded. The former helped to mass consumers behind the product; the latter helped to cut down unit production costs. Chemists, physicists, engineers were put upon the payroll; laboratories were erected. With the advent of the scientists, planning, the control of materials, hiring, firing and personnel problems, quality standards—all were placed upon a plane of analysis and quantitative measurement, rather than the hitherto prevailing procedure of trial and error and guesswork. I recently visited a plant which boasted 600 engineers and only seven salesmen. The Bell Telephone Laboratories employ 4500 research workers (p. 33).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T7 Human Relations; T8 Machinery. **Key Attributes:** A10 Popularizer.

**5I. CHASE, STUART, *A NEW DEAL*
(NEW YORK: MACMILLAN, 1932)**

Chase offered 16 reasons for the on-going Great Depression. One of these, #7, was the “manufacture and manipulation of more or less dubious stocks and bonds...”(p. 8). High-pressured salesmanship for stocks and bonds matched those tactics used to sell patent medicine (p. 8). The sixteenth was the aforementioned inability to match demand for the product with the capacity to produce the product (p. 17). Chase did have his hero, though. He was Henry Dennison.

...Mr. Henry Dennison, from all I can learn, is a better example of a manufacturer who has made money and aided the economic structure at the same time. He has put oil, not sand into its gears. America, England, Germany have a few such industrialists; and it is difficult to grudge them the money they have made (p. 21).

Chase wanted “human welfare” to be factored into the determination of a good economic system (p. 43). He also was cautious about trade associations.

...Trade associations not only strive for price understandings, but often pool their cost accounting practices, their industrial processes, their patents, their trade secrets, giving that aid and comfort to one another which sturdy self help cannot allow (p. 54).

Chase felt that the balance sheet had displaced the bible (p. 63). Once again Chase described overcapacity in terms of pairs of shoes.

In the United States, we have at the present time a shoe factory capacity of some 900,000,000 pairs a year. We buy about 300,000,000 pairs and could hardly wear out 500,000,000 pairs. Yet new shoe factories in normal times are constantly being built. Bankers loan money to their promoters. The “extension” of the shoe business is held to be a cardinal requisite to progress, prosperity, employment. Meanwhile, the existing shoe plant stands on the average two thirds empty. The resulting appalling burden of overhead costs forces manufacturer after manufacturer into bankruptcy. And always will... (p. 77).

He also returned to “illth.”

...I would soberly estimate that half of the natural resources torn from the earth in the last hundred years have gone to make that illth, which Ruskin termed the opposite of wealth—junk and litter and waste. Our children and our grandchildren will have a bitter bill to pay. We are living on our economic capital where other ages have lived on their economic income (p. 82).

Chase stated that by October 1929 stocks were selling at 50 times earnings, way above the traditional 20 times (p. 113). He, later on, said this about profits:

There may, it appears, be profits and profits. There are. To the unthinking radical, profits mean only grease for the bursting paunch of the profiteer. To the Manchester School, they meant the holy gunpowder of industrial progress. To the Gosplan, they mean a necessary element in balancing the state budget, and a valuable industrial incentive. To an accountant they mean the difference between total income and total operating costs. In a society where money is used, no economic enterprise can continue indefinitely without keeping income safely above outgo. If costs cannot be met, workers cannot be hired; the enterprise must collapse. Even where, as in Russia, the profits of one group of industries may be used to subsidize losses in others, if aggregate costs exceed aggregate income for a sufficient period, the whole system will break down. Inflation may keep it propped up for a time, but a day of reckoning must come. So considered, profit is the lifeblood of the economic system—of any economic system using money. If costs in terms of money exceed income in terms of money, the red figures are so many danger flags, indicating a fundamental maladjustment between production and distribution (pp. 181–182).

Chase then followed with different situations of the disposition of profits. Since these situations have rarely, if ever, been discussed so clearly, Chase's exact words need to be repeated:

- (1) A state operated enterprise can transfer its profits to the general state budget.
- (2) It can use them in whole or in part for its own expansion. Russia employs three procedures—part of the profits go to the state, part to local expansion and reserve funds, part to management and worker.
- (3) A cooperative society is required by law to divide its profits among its customer-owners, thus in effect furnishing them their goods at cost.
- (4) A privately operated enterprise can give all its profits to an owner-manager, the classical entrepreneur.
- (5) Or it can give them to a group of absentee owners who know nothing whatever about its management—the typical method in large corporations.
- (6) Or it can build up huge reserves for expansion, allowing stockholders a “conventional dividend”—a growing fashion in the West.
- (7) Or it can share profits with management and workers (pp. 182–183).

The Great Depression was to be solved by three means: “A managed currency; the drastic redistribution of the national income through income and inheritance taxes; a huge program of public works” (p. 192). He believed in tax system administration and collection by the federal government and with some taxes allotted to the states (p. 204). Chase called for economic planning with these, by now to the reader, familiar words;

To coordinate them effectively, two things must be brought to heel: money and machines; the financial structure and the technological process. Population is a third great factor in the formula, but, fortunately, population has begun to take care of itself. What is it primarily that science must do to insure us food? It must draw up a schedule of requirements, plot the available natural resources, estimate the capacity of the producing plants, enumerate the manpower, and so balance the last three against the first. The result indicates the possible standard of living (p. 214).

This work was to have been done by technicians with planners limiting the harm caused by technological change (pp. 218–219).

Chase tried to have greater freedom for infant industries to raise capital than more established industries. His “Capital Issues Committee” was described thusly:

Finally, it should be pointed out that investment control is not solely a negative decree. In addition to determining what cannot be floated, the Capital Issues Committee—or whatever the Line authority may be called—by reference to the research departments of the Planning Board and the Bureau of Standards, can give very helpful positive advice as to new commodities, new processes, new inventions which the country genuinely needs, and which promise secure investment. Broadly speaking, private capital has its place in the development of infant industries, while collectivism finds its function in industries more adult. Even Karl Marx made this distinction (p. 223).

Chase ended this book with a question—one that probably haunted him in later years—“Why should Russians have all the fun of remaking a world?” (p. 252). However, the United States was much more willing to listen to Chase in the early 1930s than it was in the 1920s. While the writer will let others debate about how much Chase had to do with Franklin D. Roosevelt’s use of “The New Deal,” the writer is struck by the many similarities between Chase’s proposals and F.D.R.’s proposals. Chase was definitely a prophet with honor, at least as far as F.D.R. was concerned.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T6 Consumer Affairs; T8 Machinery; T9 Planning; T10 Resource Management; T13 U.S.S.R.; T14 Waste. **Key Attributes:** A9 Political Economist; A11 Progressive; A12 Radical; A13 Social Activist and Critic; A15 Utopian.

5J. CHASE, STUART, *TECHNOCRACY: AN INTERPRETATION* (NEW YORK: JOHN DAY, 1933)

Chase started the book with a synopsis of Veblen’s *The Engineers and The Price System* (p. 5). Veblen focused on 100,000 technicians who were to be the only ones allowed to operate our mechanized economic system.

Given a free hand to operate at capacity on the principle of the balanced load, they would deluge the nation with sound and durable goods. Yet they are continually forced by the captains of industry to violate their standards of craftsmanship by adulteration, peak loading, the manufacture of trash, by stoppages, excessive selling and advertising costs, cross hauling, patent monopolies, tariffs, over expansion, waste. And so Veblen suggested, without enthusiasm, delicately, that the engineers—who could bring the whole economic system to complete quiescence in a few days’ time—disallow the dams and barricades of the captains of industry, and proceed to vindicate their integrity, and justify their technical training, by taking over the industrial system and operating it on the principles of the laws of physics and of the balanced load; the later meaning smooth operation at capacity, where the cost per unit of output is at a minimum. Incidentally, their fellow citizens, down to the last family, would enjoy a standard of living hitherto undreamed of (p. 6).

Chase related that Veblen’s 1919 work was attempted to be operationalized by Howard Scott and his Technical Alliance (pp. 7–8). That organization noted the diminishing of direct labor in product cost.

They meant, if anybody had cared to give them ten minutes of intelligent attention, that human labor was beginning to pass out of the picture as the prime factor in the production of wealth. In an automobile selling for \$3,000, the direct labor cost was found to be \$180—a beggarly six percent of the whole price. Not labor, not wages—but energy,

locked up in coal, petroleum, waterfalls, was what really counted. Wages per man or per hour could be increased because the total wage bill was falling. Fewer and fewer men were required to produce a given quantity of goods (pp. 9–10).

In the early 1930s Scott organized his early 1920s supporters to the new name of “Technocracy” (p. 10). This revitalized group was housed at Columbia University and the American Institute of Architects so to work on the “Energy Survey of North America” (p. 11). Chase defined “Technocracy” thusly:

What is Technocracy? It is Veblen pushed a few steps forward, modified by recent industrial history and Mr. Howard Scott. It is an attempt to measure by means of figures and charts the impact of energy (the machine, if you like the term better), on civilization. It is an expedition into the higher mathematics. It is a prophecy and a challenge. It has hinted at a blue print of a possible new society where economic activity is controlled by the technician, with a sixteen-hour workweek, but the blue print had not yet been divulged. It is the name of a group said to consist of some 350 engineers and technical men. And, if it is not careful, it may turn into an esoteric cult... (p. 11).

Example after example of the substitution of direct labor with machines was given. This is an example.

In the boiler room of the liner *California* three white-uniformed firemen, presiding over valves and gauges, replace the usual fire room crew of 120 men—4,000 percent shrinkage (p. 16).

Technocracy was interested in measurements of physical things rather than financial things (p. 17). Money was not to be the ultimate measure. Chase used the classic inflation of Germany in 1923 and then restressed the physical method.

Money, as Mr. J.M. Keynes has pointed out, is anything the state declares it to be. A solid German citizen, who in 1903 had taken out a twenty-year endowment policy for 100,000 marks, paid his premiums on the nail until 1923, when the policy fell due. He went and got his money, every mark of it, and the total at the time was just sufficient to purchase a cheap straw hat. So reliable and no more is the standard unit of the practical man (p. 18).

...

The point of the physical approach is that it thrusts money back into its proper relative position. Instead of being the whole of life—as so many Americans pathologically believe—it becomes only one element in the total economic picture, and, on the basis of physical standards, a very crude and unsatisfactory element at the present time. In the nineteenth century it worked rather better (p. 18).

Scott and his group believed that there was an exact measurement of energy related to goods produced. The computations were both very elaborate and very abstruse mathematical equations (p. 21). Chase, however, did raise the

problem of exact measurement of the service workers, which he estimated to be about one-half of the workforce (p. 31). Chase concluded with this paragraph:

I cannot, therefore, take my energy economics straight. I require a chaser of psychology and anthropology. It does not follow that either Veblen's or Technocracy's conclusions are shaky, only that they do not go far enough. The total economic problem is not comprehended. As far as they go, however—and in their cardinal domain they plough deep—these conclusions, and the data on which they are based, constitute perhaps the most arresting challenge which the American industrial system has ever faced (p. 32).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T6 Consumer Affairs; T8 Machinery; T9 Planning; T10 Resource Management; T14 Waste. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

**5K. CHASE, STUART, “TICKER TAPEWORMS,”
[A REVIEW OF A.A. BERLE, JR. AND GARDINER E.
MEANS’, *THE MODERN CORPORATION AND
PRIVATE PROPERTY* (NEW YORK: COMMERCE
CLEARING HOUSE, 1932)] *NEW REPUBLIC*,
JANUARY 25, 1933, PP. 299–301**

Chase reviewed this landmark book in political economy of the 20th century in glowing terms. “There may have been a better book than this published in 1932, but I did not see it” (p. 299). Means’ described the 200 top corporations in the first half of the book.

...Mr. Berle, the lawyer, takes up the story and devotes the last half of the book to the legal status of the millions of stockholders, and of the 2,000 gentlemen who “control” these astronomical properties. When he ends his closely reasoned and documented analysis, there is little left of either definitive ownership or control. The stupendous assets swing in a sort of legal vacuum, not really owned by anybody, not really controlled. They have thrust their great shoulders out of nineteenth-century concepts of property. They have crashed although the law as a bear breaks through morning cobwebs; and with the same blundering blindness. They have not flouted the law—save here and there in detail—they have simply grown too large for it altogether (p. 299).

Chase had a premonition in 1933 of what is in vogue now in accounting, that of the relative meaninglessness of balance sheet valuation of physical assets. He wrote:

These vast companies have changed the nature of capital. It is no longer composed, in many cases, of tangible goods, but of functioning organizations. "Even the value of tangible goods tends to become dependent upon their organized relationships to other tangible goods composing the property of one of these great units." Particularly interesting to me, as an accountant, is the fact that the balance-sheet valuation of physical assets is fast losing meaning. They have value only *if the company continues to function*. In liquidation, they are likely to foot up to so much junk. Years ago when businesses were small, if they fell into difficulties, there was a market for a factory building, a loom, a store, simple inventories. The assets had value in themselves. If the A.O. Smith Corporation should fall into difficulties, its glorious automatic frame mill, which cost many millions, would bring, I suspect, scrap-iron prices, unless the buyer wanted to operate it. This distinction is one which accountants have tended to overlook. Books are kept on the assumption that we are still living in Adam Smith's days of petty traders (p. 299).

Chase felt that as more and more Americans became smaller and smaller stockholders, they had lost complete control over their companies. They were totally subject to the vagaries and manipulations of the stock market (p. 299). The stock market is "the wheel around which the new concept of property revolves" (p. 300). The behavior of those who control the corporations sounds very familiar 70 years later.

Control is answerable to God alone. Its interests may be and frequently are diametrically opposed to those of the impotent owners of the property. "Profits at the expense of the corporation become practically clear gain to persons in control, and the interests of a profit-seeking control run directly counter to the interests of owners." Sometimes this goes so far as to wreck the enterprise, e.g., the Chicago and Alton Railroad, the Pere Marquette, the Rock Island, the New Haven and the "Frisco." More frequently it takes the forms of shifting profits from parent to subsidiary companies in which the control has a large interest; in diverting profits from one class of stock to another; in "inside information" enabling the control to buy low from present stockholders and sell high to future stockholders; in the issuing of misleading financial statements; in juggling of books, primarily in the accounting for depreciation and capital outlays; in amending the corporate charter... (p. 300).

Chase doubted any successes for accounting controls in this new world in which small stockholders were irrelevant in terms of power. Again, Chase's words are apropos 70 years later.

Many well meaning reformers are agitating for uniform accounting, more truthful reports, curbs on the use of "inside information." But Mr. Berle proves beyond all argument the folly of trying to force eighteen million irresponsible stockholders back into the entrepreneur psychology of a century ago. They have passed through that stage and cannot return. Better reporting will not reverse the clock (p. 300).

This piece illustrated the high regard Chase was held as a reviewer by a well-respected liberal magazine, *The New Republic*. The review process allowed Chase some freedom to state his views on the subjects discussed in the book.

In this writer's view, Chase astutely deduced that "insiders" will always be there and that small stockholders were powerless to control them. Hence, owners could not effectively wield the control functions, which they could have in the days of Adam Smith.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T8 Machinery. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

5L. CHASE, STUART, *MOVE THE GOODS*, PAMPHLET NO. 45 (NEW YORK: JOHN DAY, 1934)

Chase had published three other pamphlets (No. 2, No. 19, and No. 32). With No. 3 written by Joseph V. Stalin and No. 35 by Leon Trotsky, as noted in the flyleaf to pamphlet No. 45, the tenor of the series must have been provocative to many. Chase did make one reference to his career as an accountant and, not surprising, it dealt with the topic of money.

When I read a book or an article about the "science" of money I sometimes find myself going gently to sleep. The words come through my eyes but somehow dodge the brain, going round and round outside it in a blurring, inky wheel. This is a strange reaction at least in my case. As an accountant I have dealt for many years with large masses of figures representing money. Accounting work is often boring in detail, but the problems presented have kept me constantly interested and awake. Again, as a wayfaring economist, I am supposed to know something about the theory of money and to maintain an active interest in it (p. 20).

Key Topics: T1 Accounting, Budgeting, and Taxation. **Key Attributes:** A9 Political Economist.

5M. CHASE, STUART, *THE ECONOMY OF ABUNDANCE* (PORT WASHINGTON, NY: KENNIKAT PRESS, 1971 FROM 1934 ORIGINAL)

Chase developed a number of accounting discussions in this book, which, like some of his others, was a putting together of a number of articles. The first of these accounting discussions dealt with the question, What is cost?

Economists and accountants have been debating this question for years, without coming to any agreement. They never will, because under vendibility, cost is anything which helps to maintain prices. It is subject to no exact appraisal, but varies from plant to plant. From the point of view of serviceability, however, cost can be accurately defined:

The cost of production is the energy consumed in making the article or rendering the service... (p. 161).

Chase then gave an example from H.L. Gantt, the chief disciple of Frederick Winslow Taylor and a key technocrat. This writer has noted in the past that Gantt's use of the term "normal capacity" is very close to the term "ideal capacity" of today (Vangermeersch, 1994, p. 4). Gantt's argument centered on the issue of the placement of the cost of idle capacity.

H.L. Gantt was enough of a serviceability engineer to paralyze businessmen with a revolutionary cost system. "The indirect expense," he said, "chargeable to the output of a factory should bear the same ratio to the indirect expense necessary to run the factory at normal capacity, as the output in question bears to the normal output." All other cost systems neglect this principle, thus covering up the true waste of plant idleness. Suppose when the factory is running at capacity the overhead cost—interest, insurance, depreciation, repairs, office expense, etc.—is twenty cents per unit of output. When the factory goes on half time, this cost jumps to forty cents, on all traditional cost sheets. No, said Gantt, overhead should remain at twenty cents, and the balance be charged direct to the profit and loss account, not loaded upon the output. He was, of course, correct from the serviceability point of view. The article does not cost any more in energy when the plant operates on part time. The cost is the same, but waste has now appeared. The businessman serenely adds the waste to the true cost, and keeps prices at a level which covers both, plus, if possible, a profit. This is sound vendibility cost accounting. I learned to practice it myself, and I ought to know (pp. 162–163).

Chase described what happens during a downturn in the economy. Once again, his argument was focused on "Goodwill."

Goodwill, as the most ephemeral element on the balance sheet, vanishes first, depriving the control of its chief asset. The promulgation of mergers, the profitable pyramiding of securities through investment trusts, comes to an abrupt halt. The distinguished gentlemen are driven to the dreary and uncertain business of organizing pools on the declining stock market. Their great days are over. Some go to Greece, some go to rejoin their Heavenly Father, some go to jail—and some sit tight, waiting for the formula to revive, while manipulating the aforesaid pools (pp. 191–192).

Chase then presented a long section on "capacity." Since he had the space in a book to devote to developing this rather esoteric topic, it is essential to reproduce his coverage.

Like technological unemployment, to which it is akin, excess capacity is a reasonably new phrase, and as in the case of all new things, has been discounted by students of a conservative turn of mind. No one in his senses denies the fact that American plants as a whole do not operate at capacity. The points are made, however, (1) that capacity is a loose term; (2) that many plants are rickety and obsolete and should be scrapped anyway; (3) that human need is far in excess of capacity and so it is ridiculous to talk of the plant's being overbuilt; and finally, (4) that it is a question whether or not plants should be run at capacity; our manufacturing forefathers observed no such standards. With

these observations delivered, the student turns back to his charts of competitive prices covering the panic of '73.

The first objection has considerable merit. Excess capacity is difficult to define quantitatively. ...

For older machine age plants, capacity is a matter of shrewd estimate. Most managers with whom I have discussed the question do not hesitate to make that estimate. Whether the plant is to run on single shift, double shift, or twenty-four hour operation is of course very important. Some processes, like steel making, demand the latter. ...

A frequent method of estimating capacity is the total output on an eight-hour day basis for 300 days in the year, less an allowance for shutdowns due to necessary repairs. Such a method is inapplicable, however, to highly seasonal production, like the canning of fruits and vegetables. For a few weeks such plants may work double shift, only to remain idle for the rest of the year. Excess capacity here should be measured against the canning season only. It should be remembered that many operations which are now highly—seasonal like garment making—technically do not need to be seasonal (pp. 195–197).

Chase's views are both broad-based from a total economy viewpoint and company-driven from an organizational unit point of view. He had much to do for both and for their amalgamation. Like his pioneer work in "Waste," one wishes Chase had striven to develop his ideas on "Capacity" to an accounting audience. In the writer's view, it was all too easy for accountants and businessmen to dismiss Chase out-of-hand as some sort of a radical – "communist" or "socialist" – and miss his insightful comments about individual organizations. Surprising to this writer, he has noted the literature of the left both to be ignored in traditional accounting writings and to be much more useful than traditional accounting literature. This is an even more significant problem because then there is no way to note these writings. The writer is of the opinion that an accounting historical scholar should develop an index of accounting articles published in the journals of the left in the period from 1920 onwards.

Key Topics: T1 Accounting, Business, and Taxation; T3 Business; T8 Machinery; T9 Planning; T14 Waste. **Key Attributes:** P9 Political Economist; A10 Popularizer; A12 Radical; A13 Social Activist and Critic; A15 Utopian.

5N. CHASE, STUART, *GOVERNMENT IN BUSINESS* (NEW YORK: MACMILLAN, 1935)

Chase again reverted to his accounting background in this book which related government intervention in the private sector. While granting Russia did not run individual economic units as well as the West, Russia had the advantage of controlling plant capacity.

The major aspect is found in operating the whole plant at capacity without duplication in building no more woolen mills than can supply the demand for wool; in constructing no parallel lines of competing railroad track and terminals; in drilling no more wells into a pool of oil than the best geological practice permits. From this point of view, Russia's industrial system is markedly more efficient than that of other countries. That it more than compensates for inefficiencies of unit factory operation the increases in production make evident. By virtue of her natural resources and her intensive collectivism, Russia has largely immunized herself against the ravages of the business cycle (p. 76).

Chase again expressed his support for a steeply graduated income tax so as to get a better balance between savings and spending (p. 156). On the other hand, he did not necessarily equate Big Business with bad business (p. 199). Chase, however, was concerned with inflated book value of fixed assets so to increase profits based on a "fair return" (p. 222). He wrote:

Regulating commissions generally, the country over, have "felt that they lacked the scope to go into the values back of the figures." As a result, figures have been rotten with private graft, false appraisals, and metaphysical bookkeeping, while the public has paid rates based on a "reasonable" eight percent, based in turn upon this valuation dung heap. A legislative committee, reviewing twenty-three years of regulation in New York, reported: "On the basis of this intensive investigation, we find that effective public utility regulation in the state of New York has broken down, and that the consumers of the state of New York have been abandoned to the exploitation of the utility companies without any effective restraint by the Public Service Commission." (p. 223).

Chase saw cost accounting as being "uninfluenced by political or moral passions" (p. 237). Sloan of General Motors, Stalin in the U.S.S.R., and Danish Cooperatives were using cost accounting.

All large corporate organizations are now run by remote accounting control. On the records as they come hourly, daily, weekly, monthly, to the central office, the front line administrators stand or fall. Question: What difference does it make to a front line administrator—say the manager of the A and P store in any town—whether the stock in the vast impersonal corporation for which he works is owned by Tom, Dick, Harry, or the State? Answer: The only difference to him is which corporate control gives him the better break. Front-line administrators as one talks to them are not inclined to be sentimental about the moral beauties and benefactions of General Motors, the Great Atlantic and Pacific Tea Company, or the Consolidated Gas Company. Neither are they inclined to be sentimental about the joys of serving their fellow men through the Inland Waterways Corporation, or the Home Owners' Loan Corporation. They will serve either, and the mechanical finger of accounting can trace how well they serve. Their preference will be determined, as always, by considerations of hours, wages, tenure of employment, pension plans, chances for advancement, and a little human recognition from the man higher up (p. 237).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T6 Consumer Affairs; T7 Planning; T14 Waste. **Key Attributes:** A6 Internationalist; A9 Political Economist; A13 Social Activist and Critic.

**50. CHASE, STUART, “FOREWORD” FOR *THE CHART OF PLENTY*, BY HAROLD LOEB ET AL.
(NEW YORK: VIKING PRESS, 1935)**

Chase was certainly an understandable choice to write the Foreword for this book done by a group of 60 technicians (technocrats) to measure what the U.S. economy could produce. Chase again focused on physical, not dollar measurements.

The various engineers and economists referred to above have not made their estimates within the commercial frame. They have been careful to cleave to the physical. They have looked at the land, the natural resources, the manpower, the industrial and agricultural plant, and above all at the technical arts of a given community and have tried to estimate how much that community could produce in the way of enjoyable commodities if all factors were employed at something approaching maximum efficiency; if the manpower were fully engaged, if the plant operated at capacity (pp. xi–xii).

With that preamble Chase then laid the groundwork for his utopian view of an era of abundance if full production were not bound by profit planning.

This study is destined, I believe, to have historical importance. It has furnished comprehensive statistical proof for a possible era of abundance; proof which has long been wanted. It gives the lie to the scarcity men, the hucksters, gamblers, and financial jugglers who once promised the end of poverty, and who now, their system in reverse, foretell an America of industrial serfs, peasants, and belt-tighteners, into a bleak and undated future. Where are you going to get the money? They cry. If the abundance men can carry the findings of the National Survey to every hamlet in the land, there will be in the end no question of where the money is coming from. Americans will not be content to idle in semi-starvation because the rules of an antiquated money game demand it, when they know that the good things of life are theirs for the taking—and mind you, the working. An income of \$4400 a year in sound goods and services is not affluence, but it looks like paradise to most families in this country today. And it is only a beginning; only the first indication of what the powerage can do for mankind, if once it be given an opportunity genuinely to serve mankind (pp. xiv–xv).

Again, many would discount both the Foreword and the study as being “leftist” in nature. However, that view would obviate the skills utilized to estimate capacity. Ideal capacity must always be known, in the writer’s view. Whether the literature that aids one in understanding such an important concept as ideal capacity is to the left, on the center, or to the right should be

irrelevant for analysis. Both the Foreword and *The Chart of Plenty* need a close reading and replication both nationally and plant-by-plant.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T8 Machinery; T9 Planning; T10 Resource Management; T14 Waste. **Key Attributes:** A1 Egalitarian; A9 Political Economist; A12 Radical; A13 Social Activist and Critic; A14 Socialist; A15 Utopian.

5P. CHASE, STUART, *CLASS OF 1910: 25TH ANNIVERSARY REPORT* (CAMBRIDGE, MA: HARVARD UNIVERSITY PRESS, 1935) PP. 125–126

Chase made this revealing comment in his class reunion book. He wrote:

...Accounting frequently bored and irked me, but the discipline was helpful later on. It kept me, as a writer on economics, from getting too far off the earth. This will be news to some of my orthodox friends, but had I never toiled over balance sheets and cost systems, I would probably be twice or thrice as wild a social theorist as they now consider me. ... (p. 125).

Key Topics: A1 Accounting, Budgeting and Taxation. **Key Attributes:** A9 Political Economist; A12 Radical.

5Q. CHASE, STUART, “U.S. CORPORATIONS, INC.” *NEW REPUBLIC*, JANUARY 9, 1935, PP. 237–238

Using statistics from 1932 released by the Internal Revenue Service, Chase reported that the 508,636 corporations had a net loss of \$5,643,000,000 in that year (p. 237). The losers lost \$7,796,000,000 while the profit makers gained \$2,153,000,000. However, the losers paid dividends of \$1,618,000,000 and the profit makers paid dividends of \$2,410,000,000 – leaving a net decrease in capital of \$9,672,000,000 (p. 23). He thought 1933 and 1934, while a little improved, would still show significant losses (p. 237). While there was a positive surplus of \$36,080,000,000 on December 31, 1932, Chase was concerned that a rigorous dose of accounting conservatism might have wiped it away (p. 238).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business. **Key Attributes:** A9 Political Economist.

5R. CHASE, STUART, “OUR CAPACITY TO PRODUCE,” *HARPER’S*, FEBRUARY 1935, PP. 343–352

In this piece, Chase made a very important contribution in differentiating between the estimates of capacity made by the Brookings Institution in 1934 in *America’s Capacity to Produce* and the aforementioned piece, *The Chart of Plenty*.

Which estimate is more nearly accurate? Much heat will be generated and many arguments will fly back and forth as to whether the Institution’s report is to be relied upon or the National Survey. The heat and the arguments will be warming but largely wasted, for the two reports have a very different fundamental approach. They are cast, as the physicists say, in different frames of reference, and their conclusions cannot be compared without considerable violence to both logic and statistics.

The frame adopted by the Brookings Institution was that of the going capitalist economy. A more correct title of the study would have been “Private Capitalism’s Ability to Produce in 1929,” or “The Minimum Excess Capacity Customary under the Open Market System.” On page 414 it is clearly stated that the report is not concerned with America’s productive capacity as it might have been, but as it was, under the “general pattern of commercial organization then prevailing.” And on page 424 it is emphasized that the report is asking “simply how much unattained capacity was latent in our actual situation, and not how much we could have produced in some different situation of which we have more or less knowledge, or for which we entertain more or less rosy dreams.” Business-as-usual is thus the admitted base.

The National Survey, on the other hand, takes no account of contemporary financial or market conditions. Its frame of reference is serviceability, not vendibility (p. 345).

Chase gave a specific example of the differences in the soft coal industry. The engineering approach would yield an estimate of 75% excess capacity to the Brookings Institution estimate of 20%.

To select one example of the Brookings market definition of capacity from among many: The soft coal mines of the country show a total capacity in 1929 of more than 900 million tons. Production in that year was a little more than 500 million tons, a utilization factor of around 57 per cent. The survey first proceeds to throw the idle mines out of its capacity computation. This makes the utilization factor to 71 percent. Then it takes cognizance of traditional market methods in soft coal mining which make production highly personal. Instead of 308 working days a year, traditional practice enforces a 265 day year. This lowers capacity again, with a final utilization percentage of 83 percent or an excess of only about 20 percent ($17/83 = 20.5$). It is this 20 percent for coal which helps to make up the average figure for all industries of 19 percent. Yet in the serviceability frame, if the nation needed 900 million tons of coal a year (which it probably does not), the facilities were available in 1929 to produce close to that figure. An engineer would set the excess capacity nearer to 75 percent than to 20 percent (p. 347).

Chase concludes, correctly in this writer's opinion, that the Brookings Institution's effort is "all but meaningless" (p. 345). "It amounts to an estimate of excess capacity which no survey based on engineering principles could accept, and yet one far in advance of what actual market conditions could accept (p. 345)."

Since the writer is of the opinion that *The Chart of Plenty* needs both to be restudied and then replicated for this new millennium, he takes careful note of this comment by Chase on that survey:

Certainly the Survey has provided the nation with a base line for the possibilities for an age of plenty. No disciple of scarcity can honestly deny this potentiality until he has first analyzed and demolished these findings. His computing machines must be in good order, his intellectual integrity unimpaired, his vision broad. This job was not done in a day and it would take many days of the most painstaking analysis to undo it. I feel reasonably confident that it will not be undone. As a believer in the promise of abundance, however, I may be prejudiced. Let the Jeremiahs form on the right, slide rules in hand. Give them the run of the files, the documentation for every basic figure, the reasons for every assumption made (p. 352).

The writer believes that much good will occur at both the micro and macro levels of our economy by the replication of this study. We must understand capacity better than we do now.

Key Topics: T3 Business; T4 Capacity; T8 Machinery; T9 Planning; T14 Waste. **Key Attributes:** A9 Political Economist; A10 Popularizer; A13 Social Activist and Critic; A15 Utopian.

5S. CHASE, STUART, *THE TYRANNY OF WORDS* (NEW YORK: HARCOURT, BRACE AND COMPANY, 1938)

Chase's classic work on semantics had just a few passages dealing with accounting. However, he did explain his drift away from liberalism into social science. This first passage lays the groundwork for this break.

Meanwhile, I had long been aware of the alarming futility of most of the literature dedicated to economic and social reform. As a young reformer I had organized meetings, written pamphlets, prepared lectures, concocted programs, spread publicity with enthusiasm. Those already inclined to my point of view attended the meetings, read the pamphlets, listened to the lectures, adopted the programs, but the apathy of the unconverted was as colossal as it was baffling. As the years went by it became apparent that I was largely wasting my time. The message—and I still believe it was a human and kindly message—had not got through; communication was blocked. What we reformers mean was not what our hearers thought we meant. ...

Later on, he made his break with this explanation.

This brings us to a consideration of that worthy human being known as a “liberal.” Referent? Say many readers of the New York *Nation*. Such people are actuated by love of fair play—a complex balance between intellectual judgments and generous feelings, in proportions varying with each individual. In a given social situation—Spain, Cuba, the Herndon case—they whip from their pockets, as it were, a foot rule of principles concerning “democracy,” “justice,” “liberty,” “free speech,” “the rights of minorities,” with which they proceed to measure the event, as Mr. Justice Roberts measures an Act of Congress by placing it alongside the Constitution. If the situation does not fit the foot rule, the moral indignation of the liberal knows no bounds.

I ask in all seriousness, is this enough to form an intelligent judgment? As the whats, whens, wheres, of the modern world grow more complex, expert knowledge is more necessary than moral judgments. ...

The liberal type is too valuable to waste time befuddling itself with fool rules. I prefer to see it, as it sometimes does, modernize its approach to social problems, listen more to experts, reserve judgment, get full of referents rather than of principles and moral indignation. Intelligent individuals generally should stop feeling obliged to have “sound” opinions on every issue. It is humanly impossible (pp. 198–199).

Chase gave this as one of his examples of meaningless questions in economics, “3. What is a reasonable profit?” (p. 254). Since Chase had done a piece on “reasonable profit” in 1920 and did seem to come to some means of conclusion on the topic, by 1938 Chase seemed to admit here the futility of the 1920 effort.

Chase seemed to indicate that accounting had, at least, some relatively solid notion of “capital.”

We have circled all around “capital” and “capitalism,” but made little progress in defining them. Well, what do the terms mean? Frankly, I do not know. I used to believe that I did, but that was before I took up semantics. As an accountant, I know what capital means to the X.Y.Z. Company, not very accurately, to be sure, but well enough to audit books and outline policy. I know something about “capitals” of certain sorts in certain places at certain times, but very little about “capital.” As for “capitalism,” I confess myself stumped. I do not know how to perform an operation to give the concept meaning. ... (p. 279)

It is probably most appropriate to note Harvey Stuart Chase’s meeting with President Franklin D. Roosevelt on June 8, 1937, on the Rural Life Committee (Vangermeersch, 2002, p. 85–86). Harvey S. Chase wrote to F.D.R. on June 11, 1937 about the *Tyranny of Words* (then titled “The Tower of Babel”).

Your highly commendatory remarks upon Stuart Chase’s work at the close of our session on Tuesday prompts me to enclose an outline of portions of his new book, just with reference to the brief summaries of Chapter 16, “Round and Round with the Judges,” and Chapter 10, “The Semantic Discipline,” followed by Chapters 11, 12, etc.

Stuart has always been intrigued by words and their meanings. How he has fallen upon “Semantics” with vast joy! No longer a socialist, communist, or collectivist he has become a semanticist.

In a moment of leisure—if you have such—you may be amused, possibly instructed, by “The Tower of Babel” (Vangermeersch, 2002, p. 93).

What is also quite interesting was F.D.R.’s reply:

PERSONAL

Dear Mr. Chase:

I am grateful to you for your thoughtfulness in sending me a synopsis of Stuart’s forthcoming book “The Tower of Babel.” I find the synopsis very illuminating. Starting with the premise that all cats—Tabbies as well as Toms—have nine lives, I am wondering just how great a survival value Hobie may possess. The other chapter digests indicate that the book holds real promise (Vangermeersch, 2002, p. 94).

The writer noted a June 10, 1937 letter from Harvey S. Chase to Stuart Chase in the Stuart Chase Papers at the Library of Congress. In it, Harvey Stuart Chase wrote this about his conversation with F.D.R.:

“Is Stuart your son?” said F.D.R.. “Well, I congratulate you. He is a grand boy. He is teaching the *American people* true economics, better than all the others put together (Container No. 1).”

The writer joins Harvey Stuart Chase and F.D.R. in urging all to read this book for tightening-up one’s communications. It is very interesting to note F.D.R.’s strong positive feelings for Stuart Chase, as well as Harvey Stuart Chase’s pride in his son. The book also seemed to move Chase away from liberalism into a long-lasting base of the social sciences.

Key Topics: T1 Accounting, Budgeting, and Taxation; T5 Communications; T11 Social Sciences. **Key Attributes:** A5 Generalist; A7 Literate; A9 Political Economist; A10 Popularizer; A13 Social Activist and Critic.

5T. CHASE, STUART, “BEHIND THE BUDGET,” *ATLANTIC MONTHLY*, SEPTEMBER 1939, PP. 312–326

Chase, in this piece, reverts to his days as a “cub accountant” working with his father on President Taft’s Commission on Economy and Efficiency. Stuart Chase writes this, as did his father about 28 years before.

No distinction is made in either the budget or the Treasury bookkeeping between expenditures for running expenses and expenditures for permanent structures like dams, post offices, and hospitals. The government never follows business procedure in capitalizing its assets; it dumps them all into the year’s running expenses p. (312).

Stuart Chase related this story of Harvey Stuart Chase. It is a story worth noting.

Second, as an accountant I have been skeptical for many years about the federal budget and Treasury bookkeeping as officially presented. It doesn't mean anything significant to me. As a taxpayer I feel that I am entitled to a much clearer account of what has happened to my money. Here, briefly, is the story of my disillusionment.

Shortly after I left college, my father, Harvey S. Chase, took me to Washington to help him set up a new federal budget procedure. President Taft had appointed him a member of the Commission of Economy and Efficiency to do this. My father said that the old budget made little sense. It dealt only in cash receipts and cash disbursements. It did not allow for capital items. No business kept its books in such primitive fashion. Not even an expert could tell where Uncle Sam was at.

So, with Republican encouragement, my father tried to formulate a capital budget. Presently, he hit a stonewall, in the opposition of a corps of Treasury officeholders. A budget that was good enough for Alexander Hamilton was good enough for them. My father was a tough fighter in those days—but they were tougher. The capital budget, despite President Taft's interest, was not introduced then and never has been. Sweden has one, but not the United States (p. 313).

Chase's work with the Temporary National Economic Committee (TNEC) laid the groundwork for his work during World War II as a national economic planner. The TNEC was a committee of three U.S. Senators, three U.S. Representatives, and six federal administrators which held hearings from December 1, 1938 to March 11, 1941, on the national economy (Graham and Wander, 1985, pp. 419–420). Chase noted the vacuum caused by individual savings not being used by corporations.

For many years in this country we have been saving close to 20 percent of our national income. For at least two decades we have been finding it increasingly difficult to invest that amount in private productive enterprise. Only about half of our national expenditures for non-consumers' goods, during the past eighteen years, have gone into industrial plant, according to the figures presented by Dr. Lauchlin Currie before the Temporary National Economic Committee. Of this plant investment less and less comes from savings of individuals. Today large corporations accumulate their own savings and do not need to borrow ours. Since 1933, more than 90 percent of all expenditures for plant and equipment have come from corporate surpluses and depreciation reserves. Less than 10 percent has been borrowed in the regular capital markets. Meanwhile our banks are stuffed with unspent balances. Reserves are at an all-time high (p. 314).

Chase, like his father, did not fear the national debt. Stuart Chase felt many investors clamored for the security of public debt.

Any given debt can be paid without injury to the system, but only on the proviso that another debt, as great or greater, appears somewhere else in the economy at substantially the same time. At least that is the way things have been in the past.

That is why I do not grow haggard worrying about the burdens my grandchildren will have to bear. The principal of the public debt cannot be paid off without wiping out a vast field of investment, thereby ruining the economic system. What would the banks and insurance companies have to invest in? The principle can, of course, be reduced in prosperous times when private debt is expanding—as during the 1920s. It is a gross misconception to compare the public debt or the corporate debt to your personal debts in all particulars. You would like to be free of debt. But you would also like to have some life insurance and some investments. There cannot be a system to be called capitalism without a huge and growing debt structure. At least there never has been. Perhaps you prefer corporate debt to government debt. But do you put your own savings there? It is curious how the people who damn the government the merriest have most of their money in tax-exempt securities. It is a little like spreading the news around: ‘You know that old Fourth National will blow up any day now. That’s where I keep all my money.’ (p. 316)

Chase noted that federal expenditures for fiscal years 1917–1921 were \$36.2 billion for “Shot and Shells” and \$8.5 billion for “Running Expenditures”, financed as \$22.8 billion from borrowings and \$22.2 billion from taxes (p. 319). “But the deficit spending was so lavish that we enjoyed one of the greatest periods of prosperity in our history. Everybody had a job; prices were roaring; employers were begging for more men (p. 320).”

Chase also referred to a theme that was very consistent with his concern for the unemployed. He used the PWA (Public Works Administration) projects, some of which may have been ill advised, as a comparison to the war preparation projects of Hitler. Chase questioned the classical economists on idleness.

Anti-spenders have the authority of classical economists behind them. No classicist that I have read would admit the possibility of involuntary idleness, long continued. Some of the classical formulas which hold for full employment are meaningless under modern conditions. In 1860, in the middle of a period of the most rapid expansion the world has ever known, it was natural for the great classicists to ignore the possibility of involuntary idleness. For their followers to ignore it today is uncritical, if not disastrous. What the people of other nations are rapidly learning, and what we must learn, is that a waste of money is not so great an evil as a waste of manpower. Money may be apparently ‘wasted’ in a program to make more jobs, but the community gains. More jobs mean more production and more goods. Money may be apparently ‘saved’ in an economy program, but the community loses—as jobs, exchanges, production, fall away (p. 322).

Chase favored a tax approach, which would be based on income and inheritance taxes (p. 324). He then proposed a four-part economic plan to revive the economy after the severe recession of 1937–1938.

Let me address a few unsolicited suggestions, then, to the next administration, whatever party it may represent. A canny opening move would be to go back to President Taft’s idea and put the federal budget on a sensible accounting basis. Then, when you spend money for capital goods, citizens will not think that it is being spent for running

expenses, or being recklessly squandered. The Swedes have a fine technique for operating a capital budget.

Second, I suggest that you really exploit the income tax, using the British example to siphon idle savings into active spending for old age pension and other social benefits. This will help to balance the budget and move the whole economy toward a pay-as-you-go basis. Go into the middle brackets. You will hit me there, but I know what is at stake. Your tax program should also include the elimination of tax-exempt securities.

Third, I suggest that you shift your public-works program as rapidly as possible from an emergency status to a permanent status. Move from the WPA kind of thing to the PWA kind of thing—firm, durable projects, well engineered, assisted by first-class mechanical devices, at rock-bottom costs. If the public-works cylinder is here to stay, it should be of the best possible quality.

A fourth step would be to decrease the interest rate so that carrying charges for public investment may be very low, and the debt burden held to a minimum (pp. 325–326).

This article shows the range of Stuart Chase from 1911 through 1939 and gives his views that will dominate his writings from 1942 through 1945. Once again, the writer is struck by the long-lasting effects that Stuart Chase's accounting background had on him and his writings. It is also important to note that Chase's works were the subject of a March 1940 editorial "Economic Effects of Depreciation" in the *Journal of Accountancy* (pp. 161–162). The editorial ended with this paragraph:

Accountants should know more than anyone else about depreciation and its effects. Here is an aspect of the question which may prove to be of great significance to the whole economic community. We suggest that it deserves the careful consideration of the accounting profession (p. 162).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T7 Human Relations; T8 Machinery; T9 Planning; T14 Waste. **Key Attributes:** A1 Egalitarian; A5 Generalist; A6 Internationalist; A8 Pacifist; A9 Political Economist; A10 Popularizer; A11 Progressive; A13 Social Activist and Critic; A15 Utopian.

5U. CHASE, STUART, *IDLE MONEY*, *IDLE MEN* (NEW YORK: HARCOURT, BRACE, AND COMPANY, 1940)

The preceding item on depreciation was included in this book. Stuart Chase further reviewed the career of his father, Harvey Stuart Chase. This review stressed the "Father of Depreciation" reputation of H.S. Chase.

Up to about the year 1900 most American businessmen admitted the fact of depreciation, but the way they recorded it on their books can only be described as temperamental. In a

good year they might write off a million dollars for wear and tear; in a bad year, nothing. My father, Harvey S. Chase, was retained as a consulting engineer by various textile mills in New England in this period, to examine depreciation facts. He was shocked by the loose and casual way in which depreciation was accounted for. He advocated regular allowances every year whether profits were high or low. Manufacturers in turn were shocked by such a systematic wallop at their earnings.

My father turned from engineering to accounting and became one of the first advocates of regular, annual depreciation allowances. He was called a crank, but the doctrine spread. Today, with C.P.A.'s hunched over ledgers in every corner of the land, no manufacturer would any more think of disregarding depreciation as an operating cost than of disregarding interest, rent, or taxes (p. 104).

Stuart Chase added to his father's work on depreciation by looking at the \$100,000,000 spent on the Empire State Building. He estimated a salvage value of \$1,000,000 and a 60-year useful life.

Now observe what happens on the books: Cost, \$100,000,000, less salvage value \$1,000,000; or \$99,000,000 to be depreciated altogether over a sixty-year period. Dividing \$99,000,000 by sixty, the annual depreciation charge works out at \$1,650,000. This means that the company owning the building must set aside \$1,650,000 out of its income every year. At the end of sixty years it will have \$99,000,000 on hand. Then it can sell the junk for \$1,000,000 and so will have \$100,000,000 to build a new Empire State Building—presumably on the ruins of the first. But suppose building costs have come down—or gone up? Suppose to duplicate the whole shebang will cost \$50,000,000 or \$200,000,000. The books do not deal with any such suppositions. They suppose original cost, no more, no less. Suppose the darn thing actually lasts three hundred years? Irrelevant again. Sixty years has been allowed, and all calculations are made for sixty years. This is the accredited "straight-line" method for recording depreciation, and nearly every business uses it.

Thus it is clear—and as an accountant for many years I had occasion to learn it—that while depreciation has been admirably systematized on the records, it is a long way from the physical facts. Meanwhile the records consistently and deliberately overstate the physical facts (pp. 105–106).

Stuart Chase laid the groundwork for his business and economic planning during World War II by writing about depreciation as a non-cash expense.

Some people who are not accountants seem to think that depreciation is just book-keeping hocus-pocus because no actual cash is put aside in a separate strong box. The cash comes in all right, but as a matter of convenience and practice it is rarely segregated. Its equivalent will always be found somewhere in the assets. Think of it this way. The cash income of my printing plant is \$1,000,000 in a given year. The cash costs are \$900,000. (We need not worry about accrued items. Over a five-year period they balance out, and the effect is as if the concern were on a cash basis.) That leaves \$100,000 more cash on hand at the end of the year. Now a charge of \$40,000 for depreciation is run through the books and added to the cost total. The depreciation reserve is simultaneously increased by \$40,000. Total costs become \$940,000, leaving a profit of \$60,000. This is the figure reported to the stockholders by the proud president, and the figure on

which the concern will pay income tax. Let us pay the whole \$60,000 out in dividends. That leaves the company with \$40,000 more cash on hand than at the beginning of the year. *The allowance for depreciation is responsible for this increase* (p. 107).

Stuart Chase then concluded that depreciation reserves, depletion reserves, and profits retained in the business were the chief contributors to the internal financing of the firm (p. 109). He then proceeded to discuss the funding of plant improvements of U.S. Steel from 1921 through 1938, in which the vast bulk of the \$1,222,000,000 spent on plant came from internal financing (p. 111). Chase concluded that U.S. Steel had little need for Wall Street (pp. 111–112).

Chase proposed six modest proposals for improving the US economy. The second one reverted to the preceding article.

Second, you are advised to put the federal budget on a business basis, like that of Sweden before this war. Even Wendell Wilkie, writing in *Fortune*, approves the Swedish budget. This means separating capital expenditures from running expenses, as in any well-managed enterprise. In the capital budget, self-liquidating outlays should be separated from others. Projects like the George Washington toll bridge in New York pay for themselves eventually out of earnings (pp. 221–222).

In this book Stuart Chase once again returned to his accounting roots and used them to make macro-economic policy suggestions. Would Stuart Chase have been an as effective contributor to the national debate on macro-economic policy, if he did not have this strong training and heritage in accounting? The writer doubts it. It also seems quite likely that Stuart Chase surely had strong positive feelings about his father's efforts in accounting. Stuart Chase seemed to be building upon the accounting legacy left by his father.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Capacity; T8 Machinery; T9 Planning. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

5V. CHASE, STUART, “CAN WE AFFORD THE NEW DEAL?” *NEW REPUBLIC*, JULY 29, 1940, PP. 160–162

Chase made a reference to capacity in this very interesting rhetorical piece. Unused capacity negates the danger of runaway inflation.

Full capacity is not the condition of the American economy in 1940. It has not been since 1929. For eleven years our economic system has been on part time, subject to a different

set of rules. Today about 20 percent of its available manpower is without work, perhaps a third of its plant facilities are not in production, while billions of dollars lie in idle bank deposits, with excess reserves at an all-time peak. In brief, the economic system has an enormous margin before existing activities need to be stripped of manpower or capital. There is no danger of a runaway price inflation unless unemployment drops under the two million mark. Some bottlenecks are to be found here and there in prices, in materials and in the skilled labor supply, but the economy as a whole sags like a partly-filled balloon. We have the men and materials to do practically anything we want, and on a gigantic scale (p. 160).

Key Topics: T4 Capacity; T8 Machinery. **Key Attributes:** A9 Political Economist; A13 Social Activist and Critic.

LOOKING FORWARD

The United States had a relatively long drift into World War II. Chase mirrored this drift but both were ready and up to the task during and just after World War II.

WORLD WAR II, 1942–1945

Stuart Chase reacted to World War II somewhat differently than to World War I in which he opposed and then worked for the Federal Trade Commission. His efforts during World War II were centered on writing for the war effort and for the peace that would follow.

6A. CHASE, STUART, *WHERE'S THE MONEY COMING FROM?: PROBLEMS OF POSTWAR FINANCE*, PART 3, GUIDELINES TO AMERICA'S FUTURE AS REPORTED TO THE TWENTIETH CENTURY FUND (NEW YORK: TWENTIETH CENTURY FUND, 1943)

Chase reviewed the reasons why the New Deal failed to pull the nation out from the Great Depression. One of these reasons was “Businessmen Are Not Fools” (p. 78). Neither cheaper capital nor obsolescence would cause businessmen to increase plant capacity.

Another drive was launched for cheaper capital. It was hoped that by reducing interest rates and making credit “easy,” businessmen would come into the market for loans. But again, competent businessmen have no use for loans, even at zero percent, when their stock of goods is freezing up. Interest rates fell throughout the period — as they have been falling for a generation — but the effect in encouraging new capital outlays was negligible. The economy had gone far beyond the point where such weak medicine could affect a cure.

A similar discussion raged around the matter of plant obsolescence. It was pointed out that thirty, fifty, eighty billions could well be invested in bringing plant and equipment

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up to date, thus increasing its productivity. Perhaps it could in Utopia, but not in a world where the present plant was operating at something like half of its capacity. Increasing plant capacity in the depths of a depression is always fine for the other fellow, but not for any particular businessman still certified as sane (p. 79).

One of Chase's solutions was a variant of what today we would label a tax credit for research and development expenditures. It is also interesting to note Chase's willingness to grant this type of tax incentive to big business.

This is a very common fear in America, though not so much in other countries. If the state collects taxes and savings for public works and welfare, what will be left for venture capital, and for the man who wants to build a better mousetrap? Invention will die out. That progress which has been the hallmark of America will come to an end. We shall be reduced to one dead level.

If Congress has the wisdom to adopt incentive taxation, or something like it, this fear can probably be laid at rest. No more powerful device for promoting venture capital has ever been mapped. It would virtually force us to scour the country for mousetrap makers. The chief thing that worries me about it is that such gentlemen are not to be found behind every bush, now that most of our inventing is done in large corporation laboratories. But the tax equally stimulates investing in research, so if we do not get so much progress as we desire from inventors in attics and cellars, we may get it from the Bell Laboratories (pp. 173–174).

Another solution offered was the loosening of the supply of money, especially in the light of excess capacity.

In times of depression, the fear of financial limitations has an especially unfortunate effect. By believing that money is limited and that we cannot afford to put men to work, we have held output far below capacity, and thrown away the potential labor of the unemployed.

Despite its ancient and honorable origin, I sometimes think that this is the cruelest fear to which modern men can be enslaved. It was sound enough in 1800, but it has no relation to the technological and financial facts of the modern world. When the unemployed go to work, they gain and the rest of us gain too. Only when the economy is at maximum capacity has this fear any theoretical validity. But at maximum capacity we should be so deluged with goods that the fear would be unlikely to arise. It is a product of the age of scarcity (p. 176).

Chase also offered a prediction that does not appear to be any closer 60 years after his prognostication on the death of the "economic man" and the "profit motive." Again, Chase studied his belief that abundance was a blessing, not a curse.

There is another, profounder reason which makes hope more logical than fear. Our economic troubles have been due to abundance, not to scarcity. Abundance, in the sense of capacity to produce, will be enormously advanced in America by the war. I find it difficult to be filled with gloom because we can produce so much. If another Ice Age were moving south, if the Black Death were upon us, if our crops were losing their vitamins to

a dread new virus, I should be gloomy. But when the promise is for more and more material abundance, I refuse to succumb to more than temporary qualms. True, we have relied on disasters in the past to absorb our gigantic production. Now I believe we are compelled to face the problem and find a better answer (p. 178).

Here Chase seemed to be even more willing to recognize the importance and possible goodness of large private sector organizations. This view marked Chase as, perhaps, untypical of liberals and was carried on after the end of World War II.

Key Topics: T1 Accounting, Budgeting and Taxation; T3 Business; T4 Capacity; T8 Machinery. **Key Attributes:** A5 Generalist; A9 Political Economist; A15 Utopian.

6B. CHASE, STUART, “LABOR-MANAGEMENT COMMITTEES SPEED PRODUCTION,” *READER’S DIGEST*, MAY 1943, PP. 89–92

Chase in this piece offered proof of a solution to wartime problems of production. This solution came in the form of Labor-Management Production Committees and their encouragement of ideas and their testing of those ideas. In one sample CIO-unionized plant, four workers and four managers comprised a Central Production Committee. Another person maintained the suggestion-box records and another one worked on committee posters (p. 89). Chase gave two examples to show why successes occurred.

The chairman then turns to one of the labor members: “How did you come out on that absentee test, Tom?”

“We came out swell. We got the records for this one department and picked out the 50 worst cases. Then we laid a copy of this little pamphlet, “Absent at Roll Call,” on each man’s bench. The pamphlet has a picture of a soldier dead in the front line because supplies hadn’t come through. We slapped it down so everybody in the shop saw who got it. Only one of the 50 has been late since.”

“Didn’t it make them sore?”

“Sure, it made them sore as hell. But it wasn’t the management ragging them; it was us, their fellow workers.” (p. 90)

...

I shake his broad hand and congratulate him. “Have you been thinking about any other improvements?”

“Yes, sir. I am working on 15 others.” He produces a neat hand-written list from the corner of the bench.

“When I’m driving to work, I think about them too when the broken dies come to this bench – how to have fewer broken.”

“Did you ever put in any suggestions before the Production Drive started last spring?”

“No sir. I’ve been here many years, but I kept them to myself.”

“Why?”

“Because the foreman might think he was not onto his job. He might get sore.”

“He doesn’t think so now?”

“No. We’re all in it together now. I put in all the ideas I can, unless they are crazy. I get hold of a crazy one now and then. But I think up more good ones than I used to. Now you take this strip of metal here...” He could have talked all afternoon explaining these excellent technical ideas — which he used to keep locked up in his head (p. 91).

Chase ended this piece with a prediction that better days are ahead after World War II in terms of labor management relations. It would be interesting and important to note how Chase would find this relationship 60 years later.

Ever since the machine age began, in what William Blake called “the dark, Satanic mills,” that latent energy has been pretty well sealed up, with a loss to civilization that defies calculation. Now in the plants where production committees are really functioning — perhaps 500 of them the nation over — a great rich mine of human effort is being slowly opened. If it could be released completely, what a flow of wealth — material and spiritual — it could bring for workers, for industry, for the whole country!

Will the mine close when the war ends? Of all the managers and workers I talked to, not one thought so. To a man they believed that something had been discovered too valuable ever to lay aside; a method of cooperation between labor and management that may be, as the vice-president of one company said, “The dawn of a new era.” (p. 93)

Key Topics: T3 Business; T5 Communications; T7 Human Relations; T11 Social Sciences, T12 Training; T14 Waste. **Key Attributes:** A1 Egalitarian; A10 Popularizer; A13 Social Activist and Critic; A15 Utopian.

6C. CHASE, STUART, “TEACHING FOREMEN THAT WORKERS ARE PEOPLE,” *READER’S DIGEST*, SEPTEMBER 1943, PP. 17–21

Chase continued with his message of the possibilities of empowering workers to draw out their ideas. Chase offered these two lists:

The only other textbook is a little blue card. On one side are the principles for keeping the line clear:

Foundations for Good Relations

Let each worker know how he is getting along.

Give credit when due.

Tell people in advance about changes that will affect them.

Make best use of each person’s ability.

People must be treated as individuals.

On the other side of the card is the procedure to follow in any given problem:

How to Handle a Problem

1. Get the facts. Be sure you have the whole story.
2. Weigh and decide. Don't jump at conclusions.
3. Take action. Don't pass the buck.
4. Check results. Watch for changes in output, attitudes and relationships. Did your action help production? (p. 19)

Key Topics: T3 Business; T5 Communications; T7 Human Relations; T11 Social Sciences. **Key Attributes:** A1 Egalitarian; A3 Family-Oriented; A10 Popularizer; A13 Social Activist and Critic; A15 Utopian.

6D. CHASE, STUART, “THE STORY OF SOCIAL SECURITY: I. THIS BUREAUCRACY STREAMLINES ITSELF,” *READER’S DIGEST*, APRIL 1944, PP. 88–91

Chase turned his attention to office methods in the Social Security Board, which increased its workload by 33% in 2 years but decreased its employment from 12,300 to 9,800 (p. 88). This was accomplished by a Job Methods Training program for all employees (p. 88). Chase used this example:

I talked with a girl who had been an early volunteer. Her task was to index certain documents coming in to the reference room. She showed me the neat typewritten form on which the old way is compared with the new way. The first had 18 steps, the second 11. “I never realized before,” she said, “That people like me could think out improvements. I always thought the supervisor was supposed to do the planning. Now I feel it’s part of all our jobs.” (p. 89)

Chase then offered this advice for how this program works for the Social Security Board and other places.

Every suggestion for improvement is passed up the line to supervisors. Top management acknowledges them by a personal letter. Without the active interest of top management, says Oscar Powell, executive director of the Board, the project would fade out. A record of achievement is put into the individual’s civil-service file, so that any future employer will see it. There is no financial reward – nothing but credit, honor and a satisfying sense of participation.

Work simplification has been operating long enough to warrant the following conclusions. If you have anything to do with an office, they ought to interest you.

1. The program taps a vast reservoir of human energy which lies inert in most offices.
2. It helps the employee to share in management and to understand the importance of his job. His morale goes up.
3. It stimulates orderly thinking and gives the employee an effective method for analyzing his own work.

4. The program is democracy in action; it gets everyone in. It transforms the supervisor from a driver to a leader; from “do it and no back talk” to “let’s see if we can work out a better way.”

5. It opens up the horizon of the supervisor. The old attitude of feeling ashamed if employees beat one to suggestions for improvements becomes a feeling of shame if employees do not submit a flow of suggestions.

6. It shows up red tape.

7. Work simplification as a technique is applicable to other government agencies and to all office work which involves recurring tasks. In fact, the round-table idea is now being adopted by unemployment insurance offices in almost all the states, by the U.S. Department of Agriculture, by the State of Minnesota, by the City of New York. (p. 90)

Key Topics: T5 Communications; T7 Human Relations; T12 Training. **Key Attributes:** A1 Egalitarian; A10 Popularizer; A13 Social Activist and Critic; A15 Utopian.

LOOKING FORWARD

The writer believes that the two world wars had tremendous influence on Chase – like many others. The writer is impressed how Chase chose to participate in the wartime economy and in planning for peacetime after World War II.

WRITING FOR THE GENERAL PUBLIC, 1946–1968

This long period was marked by the continuing of his World War II efforts, coupled with Chase's reaction to the nuclear bombing of Japan and his updating of his works on communication and on the social sciences. The culmination of this period was his 1968 classic, *The Most Probable World*.

7A. CHASE, STUART, *FOR THIS WE FOUGHT: GUIDELINES TO AMERICA'S FUTURE AS REPORTED TO THE TWENTIETH CENTURY FUND* (NEW YORK: TWENTIETH CENTURY FUND, 1946)

Chase continued to strive to find a middle ground between Adam Smith and Karl Marx (p. 99). Chase illustrated this with his discussion on “No Rigid Class Lines.”

Although the argument seems to follow the class struggle concept in a general way, closer examination shows this is not so. Big business is split wide open on the matter. Many managers believe that Henry Ford was on the right track when he made the mass purchasing of automobiles possible, along with a \$5 minimum daily wage. The whole formula of big volume, high wages, low overhead per unit, low prices, has not been unacceptable to big business for a generation, and many companies have vigorously acted on it. During the 1920s it had a wide vogue, and even a title: “The economy of high wages.” Trade papers of the decade were full of it.

**The Life and Writings of Stuart Chase (1888–1985): From an Accountant's Perspective
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This is a long way from the trickle-down theory. Indeed, it squares pretty generally with what Walter Reuther was fighting for in the General Motors strike—high wages, high production, low prices, good profits. Perhaps a majority of American tycoons are trickle-downers in their own hearts—certainly they would like to get their surtax rates down—but many run their corporations on the other policy (p. 101).

Chase espoused what might be called the “trickle-up theory”

If the mass of the people are prosperous everyone is prosperous, including the upper brackets. All the time that well-to-do citizens were bitterly criticizing the New Deal, their net worth was steadily increasing. If, however, the upper brackets are surfeited with funds while the lower brackets have none, there will be little demand for investment and plant expansion. Idle money will presently choke the whole economy, ruining rich along with poor. This seems to be the first law of social dynamics in the power age (p. 104).

He once again stressed the budget approach used in Sweden.

2. A flexible double budget, such as Sweden uses, where self-liquidating projects are kept out of the expenditures side, and capital outlays are properly amortized over the life of the asset. The present U.S. budget violates nearly every law of business and common sense, and tells us almost nothing meaningful about the state of the national finances. It has been a kind of golden calf to be worshipped, not a functional piece of machinery to be used for stabilizing the economy. Here we need a brand new mechanism (pp. 105–106).

Chase also continued with his need for research funding from the government. He clearly favored a PWA (Public Works Administration, A New Deal Program) approach for research.

Research is a kind of public works program so far as the economic effect is concerned, a modern and an effective kind. We should never spend another thin dime in leaf raking, as long as research projects are briefed and ready to be tackled. Many studies, of course, would be maintained on a continuous basis, but others could be held for employment projects when they should be needed (p. 107).

This book is, in effect, a bridge that connected his World War II efforts to the post-World War II era. Stuart Chase seemed to have been disillusioned by World War I but somewhat invigorated and hopeful by World War II, at least in economic matters. However, he certainly did not view the atomic bomb with such optimism.

Key Topics: T1 Accounting, Budgeting, and Taxation; T2 Atomic Science; T3 Business; T9 Planning; T11 Social Sciences. **Key Attributes:** A1 Egalitarian; A5 Generalist; A9 Political Economist; A15 Utopian.

7B. CHASE, STUART, “HOW TO READ AN ANNUAL REPORT: A STUDENT OF THE SUBJECT OFFERS A FEW HELPFUL HINTS TO INEXPERIENCED READERS OF CORPORATE REPORTS TO STOCKHOLDERS,” *LAMP*, MARCH 1948, PP. 20–25

This article for Standard Oil of New Jersey’s magazine, *Lamp*, allowed Stuart Chase to merge his years of financial experience and his gift for explaining complexities in simple terms (p. 20). Harvey Stuart Chase was labeled as a pioneer in the field of accounting and Stuart Chase was credited as being a C.P.A. and having had his career start at his father’s firm (p. 20).

Stuart Chase personalized the article by writing the piece through the eyes of a small stockholder, George Rutherford Adams of Middleburg, CT. George’s goals were limited to:

How much better off he is personally as a result of the company’s operations; and how long this happy condition can be expected to last—in other words, how strong is the outfit. We are not only going to try to find out what he wants to see, but what he *ought to want* to see in a modern financial report (p. 20).

The article focused on ten top questions. They were: (1) What did the company earn?; (2) What dividends did the company pay?; (3) What does the company own, and what does it owe?; (4) How big is the company?; (5) How many people work for the company?; (6) What are total sales or revenues?; (7) What service to the community does the company render?; (8) Where are the company plants?; (9) Where did the company’s raw materials come from?; and (10) Who audited the figures? George and Stuart were interested in comparative earnings, earnings per share, and dividends (p. 20). Chase wanted some notation of labor policy for #5, as “earnings tend to vary inversely with strikes” (p. 21). For #8 Chase could have been writing today.

8. Where are the company plants? This helps to give reality too. A map may be useful to show where the factories, or refineries, or selling outlets, or railroad lines, are located. Since the outbreak of World War II, a very important question deals with property owned abroad. Is it in a danger zone—in Palestine, say, or India? If a large share of the company’s assets are in such places, what steps has the company taken to set up reserves against possible loss? (p. 21)

For #10, Chase expressed his faith in public auditors.

10. Who audited the figures? As a C.P.A. I usually look at the accountant's certificate first of all. If it is a reliable firm, and the certificate does not contain too many important exceptions, then I know that I can put a lot of confidence in the figures. I know they have not been slanted, and that nothing has been covered up so far as the official records go. George ought to learn to look for the certificate, too; it is something like the sterling mark on silver (p. 21).

Chase also expressed strong belief in double-entry bookkeeping.

Double entry bookkeeping was invented by the Italians more than five hundred years ago. It is as important a social invention as constitutional government, or habeas corpus. It specifies that for every debit there must be a corresponding credit. A simple illustration is that when you buy a war bond, your "cash" goes down (a credit on your books), and your "investments" go up (a debit on your books).

This is the reason why both sides of the formal balance sheet add up to the same figure, to the penny. The sum of the debits must equal the sum of the credits. Under the principles of double entry bookkeeping this is mandatory. If they are as much as four cents out, the auditor and the accounting department tear their hair; lock the doors; run up prodigious bills for heat and light until the four cents is found. Double entry bookkeeping, now practiced by every firm of any size, is in itself a kind of preliminary audit; something for the small stockholder to be pleased about (p. 22).

Chase was clearly more of a fan of the "dynamic income statement" than the "static balance sheet." "Most human beings are more interested in how things move than in how things stand" (p. 22). Chase requested more comparative data.

A financial report which carries no comparisons at all, just the current figures, is almost meaningless to the wayfaring reader. Without some other years, or other companies, to train his sights on, he learns very little (p. 22).

Stuart Chase recognized Harvey Stuart Chase's successful efforts on the recognition of depreciation. Stuart Chase wrote:

When accounting was just beginning to be a profession along about 1900, allowances for depreciation were strictly free style—charge off a million dollars against earnings in a good year, and forget it in a bad year. My father, I am proud to say, was one of a small and hardy band of pioneers who fought this procedure and finally eliminated it. They pointed out that punch presses, brick walls, cast iron pipes and office furniture were gradually wearing out, regardless of good years or bad years. No matter how often they were patched up and repaired, the day would come when they would have to be junked. Where was the money to replace them?

Many a business in those days suddenly found itself in financial difficulties, if not in bankruptcy, because it forgot all about the remorseless and regular processes of wear and tear on company property. The band of fighters to which my father belonged insisted that the books show this property loss, and show it with unflinching regularity in good years and bad alike. They won their fight, to all intents and purposes, when periodic allowances for depreciation were incorporated into the federal income tax rules (p. 23).

Stuart Chase reemphasized the dangers inherent in patents and goodwill.

In the dear, dead days beyond recall, farmers driving cattle to market used to halt outside the town, give the critters a round of salt and then let them drink their heads off. This raised the weight and the total price. Thus was “stock” watered.

Presently the phrase was applied to financial deals where assets were pumped full of dubious liquids and gases, especially in the goodwill account where the pumps were often directed. Normally “goodwill” means something of value but intangible—like the name “Ivory Soap.” But I always feel relieved when I see “patents and goodwill” carried on the balance sheet at one dollar (p. 25).

He also emphasized the lack of clarity in the term “surplus.”

In reality, the account usually means earnings plowed back into the business and long since transformed into concrete walls, turret lathes, accounts receivable, or inventory items. The “surplus” is all over the lot on the assets side, and normally you could not take it out in cash without wrecking the business. Furthermore, if the assets had not been built up by plowing back earnings, they would have had to come in the form of more bank loans, or more bonds issued, and so would have undermined the company’s financial health. Every time “surplus” appears on the balance sheet it is a good idea to bear in mind the thought: “earnings, reinvested in the business”—if this represents the facts, as it usually does (p. 25).

This piece was highly regarded by the editorial staff of the *Journal of Accountancy* in July 1948. The editorial staff wrote under the caption “How to Read an Annual Report.”

Management may learn something from this analysis of the small stockholder’s needs for information. Not all corporate reports contain all the data Mr. Chase considers of sufficient interest to include in his “ten top questions”—for example, comparative earnings and dividends by comparative earnings and dividends by years, number of employees, sales in terms of volume of product as well as dollars, location of plants, sources of raw materials. His emphasis on the accountant’s certificate as evidence of the credibility of the figures supports the opinion we have often expressed that management should express to stockholders the significance of the independent audit to which the company’s accounts are subjected.

...

With permission of author and publisher, the American Institute of Accountants is obtaining reprints of this article for its members, in the belief that it deserves wider distribution. Readers of *The Journal* may obtain copies at a nominal price (p. 4).

While academic accountants might quibble about some of the accounting simplicities like “the balance sheet shows the company frozen for an instant, at the year’s end” (p. 22) and depreciation “helps to provide a fund with which to replace such facilities when they wear out” (p. 33), Chase’s article, if widely read, should have created some interest in reading of the annual report. Since the situation about 55 years later is probably even worse in

terms of readers' use of the annual report, maybe a revised update of Chase's article should be tried.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T5 Communications; T7 Human Relations. **Key Attributes:** A7 Literate; A10 Popularizer.

**7C. CHASE, STUART, STANLEY H. RUTTENBERG,
EDWIN G. NOURSE, AND WILLIAM B. GIVEN, JR.
THE SOCIAL RESPONSIBILITY OF MANAGEMENT
(NEW YORK: SCHOOL OF COMMERCE,
ACCOUNTANTS, AND FINANCE, NYU, 1950)**

Chase wrote the part "From the Point of View of the Social Engineer." Chase started by relating the success that Joe Scanlon had in Pittsburgh.

There was a steel mill near Pittsburgh heavily in the red, with about two thousand employees, at the bottom of a depression. Scanlon was a cost accountant as well as a social engineer, and he knew, through his accounting experience, that the mill was about done for. At the same time he became interested in the new Steel Workers' Union, resigned his place as cost accountant, went into manual work, and became the president of the union local.

He examined the books and found that the trouble was just as bad as the management said it was. He then called a meeting of the union, locked the doors, and kept the men there practically all night until he had hammered into their heads that the company was going broke, that they would lose their jobs, and that they had to take a 25 per cent wage cut for six months if they wanted to keep going.

Well, they demurred. They said, "How about those Cadillacs, how about those big limousines?" and Joe laid it on the line, as a cost accountant. Finally they agreed, the company was saved, and it is still operating efficiently (pp. 4-5).

Chase discussed the extremes of assuming that workers are "innately lazy and prone to do nothing unless by the threat of punishment, or lured by reward, a little like the donkey with the carrot in front of his nose" (pp. 6-7) and that workers fully participate by unions in top decisions (p. 9). Chase felt that:

Somewhere between these two extremes lie maximum morale and efficiency. At certain levels it has been repeatedly demonstrated that the worker can make helpful and important contributions to management problems. Scanlon's work, the history of the Amalgamated Clothing Workers, some of the labor-management production committees of the war, suggestion-box results, the training within-industry programs of the War Manpower Commission—all show this trend. Its vast possibilities are just beginning to be opened up (p. 9).

Chase again referred to cost accounting in relationship to the concept of human relations. Chase wrote:

The social-science approach to human relations, says Leighton, differs from that of the executive in that neither the experience of one individual nor the popularity of an idea is accepted as a warrant for its truth. The scientist tries to build his concepts on a foundation of systematic observations by competent men, with many checks and no preconceptions. As a result, his conclusions, while not final, are often closer to reality than those of the average manager. Remember, we are not talking about the cost system in the dropforge department but about human relations. Remember, too, that the most important policies and decisions of the manager lie in the field of human relations (p. 22).

Key Topics: T1 Accounting, Budgeting and Taxation; T5 Communications; T7 Human Relations. **Key Attributes:** A1 Egalitarian; A10 Popularizer; A15 Utopian.

7D. CHASE, STUART, “COMMUNICATION-UP, DOWN AND SIDEWAYS,” *READER’S DIGEST*, SEPTEMBER 1952, PP. 97–101

This article probably resulted from Chase’s efforts at Pitney Bowes and dealt with an attempt at “two-way communication” between workers and management. Chase related this story from Pitney-Bowes, Inc., of Stamford, CT.

It is 3:30 in the afternoon. A dozen workers selected by their colleagues and a dozen supervisors appointed by management are gathering to discuss things they do not like, and also things they do. I have been invited to sit in on this meeting, one of the regular monthly sessions. At this one the head of the machine shop and a machinist alternate as chairman. I find it impossible to tell who is a worker and who a supervisor (pp. 97–98).

He then related techniques for (1) a suggestion system; (2) question-and-request boxes; (3) informal grievance machinery; (4) attitude surveys; (5) trips around the plant; (6) quarterly letters; (7) management newsletter; (8) monthly magazine; (9) rumor-quashing devices; (10) Council of Personnel Relations; (11) open house; (12) products exhibits; and (13) community activities. Chase then described a recent addition, the annual Jobholders’ Meeting.

Something new in two-way communication is the annual Jobholders’ Meeting, held about the same time of year as the Stockholders’ Meeting. The top brass appears before the entire working force, assembled in the cafeteria on company time, to (1) give an account of their stewardship during the past year; (2) predict what is likely to happen in the coming year; (3) answer questions about any of these matters. As all workers have

already received a copy of the company's annual report to stockholders, they have plenty of ammunition. Groups of 250 are considered maximum; so it takes six meetings, extending over two days to report to the whole Stamford staff.

At a recent meeting 26 questions were written out in advance and placed in a sealed box; 30 questions came from the floor.

"How is the company doing in Europe?"

"I see here all our patents and good will are only worth one dollar. How come this small figure?"

The officers answer every question frankly. Mr. Wheeler explains in detail the balance-sheet valuation of patents, invested capital, surplus and depreciation. He explains his own take-home paycheck equals the take-home pay of ten average employees. "Is my job worth it?" he asks. It is hard to imagine taking mutual trust much further!

Mr. Frederick Bowes, Jr., nephew of one of the founders of Pitney-Bowes and now the company's director of public relations, says: "One of the most important guiding principles underlying two-way communication is face-to-face talk between management and labor. Booklets and pamphlets for employees have their place, but it is a second place" (pp. 100-101).

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T5 Communications. **Key Attributes:** A3 Family-Oriented; A7 Egalitarian; A15 Utopian.

7E. CHASE, STUART, *THE PROPER STUDY OF MANKIND*, REVISED EDITION (NEW YORK: HARPER & BROTHERS, 1956)

In the Foreword to this book, Chase made this interesting tie-in between journalists and accountants.

My lifelong interest in social science had prepared me to some extent, but my specialty had been economics rather than the behavioral sciences. As a professional accountant—my first occupation after leaving college—I had to learn to survey a new situation thoroughly in a short time, and be responsible for the results. Journalists and accountants have that in common (p. ix).

He first related the founding in about 1650 of the Royal Society in England, which "...fought for experiment and first-hand observation against purely logical demonstrations and unconfirmed speculations" (p. 2). He then gave some examples from the Royal Society.

Presently Sir William Petty published a study on population theory, and then his unique work, *Arithmetick*. John Graunt, another charter member, made a careful analysis of mortality rates in the London plague. Halley, the astronomer for whom the comet was named, constructed the first life expectancy table and became the father of actuarial science and the principles of insurance. The Royal Society published his table in 1693 (p. 2).

Chase quite clearly expressed his strong feeling that the classical economic model was outdated. He wrote:

The culture in which Adam Smith, Ricardo, John Stuart Mill, and the other giants of the classical school did their writing was barely past the handicraft stages, with mass production all but unknown. The machine age was in its infancy: an economy of little markets, little mills, and little ironmasters. Classical theory may have fitted that scene—though this is in some dispute—but it fails to fit the world of electronics, jet planes, and billion-dollar corporations (p. 204).

He followed that by adding the *organization* as a point of economic study.

Elton Mayo, from his post in the Harvard Business School, declared it impossible to square Ricardo with practical problems in business administration, or in labor-management relations. He cited Chester I. Barnard, at the time president of the New Jersey Telephone Company, who complained that he could find no treatise in all economic literature which covered business organization as he had to deal with it day by day. Mr. Barnard finally had to write his own book about it, which he called *The Functions of the Executive*. Worse still, said Mr. Barnard, economists fail to recognize the extreme importance of *organization* as the principal structural aspect of society itself. That is, the businessman is doing something out there in the real world which economists are supposed to interpret, but which they are mostly unaware of (p. 204).

Since Chase certainly had some utopian outlooks, it is interesting to note this comment on utopias. Chase wrote:

Linton explains in one sentence what is wrong with most Utopians and with such omnibus schemes as Mr. Mead's. "The greatest difficulty which confronts a leader who seeks to develop a new society is that he has to start with persons who have already been trained to live in some other society." The Utopia builder can compose admirable constitutions and codes, but the wayfaring citizen is unable to accept them outright no matter how much he may desire to. "People live mainly by habit, acting as they have been taught to act without stopping to think first." If we were suddenly transported to Utopia we should have to stop and think before nearly every act we performed, and would go stark mad long before we acquired a whole new set of automatic habits. We should be like the centipede who was asked which leg came after which, only to fall exhausted in the ditch, considering how to run.

Training to live in one's culture, as we have seen, begins at birth. By the time George Adams is even half-grown he has accumulated a mass of unconscious habits closely fitted to his Middleburg society. If George's little son were sent to live in a Burmese village, the boy could probably shift over within a few years. But if a large group of Americans go to live in Burma, they will take most of their culture with them and not even learn the language. The typical Utopian reform is like trying to move a whole American town to Burma and make it a Burmese community overnight ... (pp. 238–239).

This book allows readers to attain the scope and depth of the studies and readings that Chase had made on the social sciences. While not focusing on accounting, it certainly allows accounting readers to put their field into a

broader perspective. The writer has noted the 1956 edition of *The Proper Study of Mankind* as a suggested reading for the first chapter "Assumptions" in Strickland, Wade, and Johnson's *A Primer of Political Analysis* (p. 6). The writer believes *The Proper Study of Mankind* is just one more example of a book, with updates, that would have tremendous impact today.

Key Topics: T1 Accounting, Budgeting, and Taxation; T5 Communications; T7 Human Relations; T9 Planning; T11 Social Sciences. **Key Attributes:** A1 Egalitarian; A5 Generalist; A6 Internationalist; A9 Political Economist; A10 Popularizer; A15 Utopian.

7F. NYE, FRANK WILSON, "STUART CHASE," *THE REDDING TIMES*, APRIL 26, 1956

Two new, at least to this writer, bits of information on Stuart Chase came from this interview. One was that Chase had made "a few humorous verses contributed to the *Harvard Lampoon*" (p. 1). Further research is needed to ascertain whether these were published. (That research was done and no writings by Chase were noted.) The second was his use of "an accountant's sheet" for zoning purposes.

He was one of the "Save the Saugatuck" crusaders and helped to get better compensation for the condemned land and cash for the town. So well known are his views in favor of looking ahead that I asked him, only as a formality, if he is for town planning. "Naturally!" said he. He takes his responsibilities as secretary of the Zoning Board of Appeals most seriously and showed me with pride an accountant's sheet at least three feet wide on which he keeps a meticulous record of every application for a variance (p. 1)

Key Topics: T1 Accounting, Budgeting, and Taxation; T15 Zoning. **Key Attributes:** A7 Literate.

7G. CHASE, STUART, *SOME THINGS WORTH KNOWING: A GENERALIST'S GUIDE TO USEFUL KNOWLEDGE* (NEW YORK: HARPER & BROTHERS, 1958)

Chase mentioned his specialty of accounting in relating the importance of accounting to the priests of ancient Sumeria. In this section Chase noted that he was following Henri Frankfort's 1956 book, *The Birth of Civilization in the Near East*. Chase wrote:

Obviously the high priest had a difficult administrative problem. A system of temple accounts in physical quantities was absolutely necessary if he was to keep the economy under control. The adage that necessity is the mother of invention was fully exemplified in Ur. *Probably the first things ever systematically written down on this planet were bookkeeping records of temple goods in Sumeria.* (As accounting happens to be one of my specialties, I take considerable satisfaction in this historical finding.) These accounts, on clay tablets, might read “beer and bread for one day,” thus embracing both quantity and time. Engraved seals identified the parties to a transaction. Gradually the accounting script developed into the complete writing known as cuneiform.

Clay tablets dug up at Ur record warehouse supplies, spinning mills owned by the temple, workers names and rations, wool given to workers and garments woven there from, legal decisions and sentences of criminals. At Mari, twenty-four thousand tablets have been found, many still undeciphered. They include a list of two thousand craftsmen, and orders for the construction of canals, locks and dams on the Euphrates (pp. 91–92).

Key Topics: T1 Accounting, Budgeting, and Taxation. **Key Attributes:** A5 Generalist; A10 Popularizer.

**7H. LEE, RAYMOND L., JAMES A. BURKHART, AND
VAN B. SHAW, *CONTEMPORARY SOCIAL ISSUES*
(NEW YORK: THOMAS Y. CROWELL, 1960). REFER
TO MARSHAK, ILIA IAKOLEVICH'S “THE PROJECT
OF OUR COUNTRY,” PP. 613–619**

This is part of a book, *New Russia's Primer*, which was translated from Russian into English by George S. Counts and Nucia P. Lodge in 1931. There was a reference to Chase's story of the dumping of watermelons (see 4B) and also to the *Tragedy of Waste* (pp. 615–616). There were two more references to Chase:

Stuart Chase says: “We drown in a sea of things which we do not use, which we lose, which get out of style, which we give to friends and which they do not need, which disappear somewhere; fountain pens, cigar lighters, cheap rings, razors, endless trinkets, gew-gaws. We destroy mountains of good iron ore and an endless quantity of horse-power in order in a few months to fill rubbish cans with them (pp. 617–618).

...

Stuart Chase says that after his fortieth birthday a worker is no longer wanted in a factory. At this age the American worker is an old man (p. 618).

Marshak ended with a cry for technocracy that was quite similar to the writings of Thorstein Veblen and of Stuart Chase.

In America the machine is not a helper to the worker, not a friend, but an enemy. Every new machine, every new invention, throws out upon the streets thousands of workers. In glass factories one person now makes three thousand bottles an hours. In former times such a task required seventy-seven men. This means that each machine for the making of bottles deprives seventy-six men of employment. And the American worker despises the machine which takes away his bread.

A certain American writer says; "Machines breed and multiply; there are more and more of them. We ourselves have nurtured them, but now they surround us like wild and dangerous beasts. And we are in their power."

But how is it with us? The more machines we have, the easier will be the work, the shorter will be the working day, the lighter and happier will be the lives of all.

We build factories in order that there may be no poverty, no filth, no sickness, no unemployment, no exhausting labor—in order that life may be rational and just. We build factories in order that we may have as many mechanical helpers as possible—machines in order that these mechanical helpers may belong to all and work for all equally. We build in our country a new, an unheard-of, a socialistic order (pp. 618–619).

The writer met with Stuart Chase's grandson, Alan Hodson, and his co-author John M. Carfora, an expert on the U.S.S.R. John noted that the U.S.S.R. Soviet Minister Aleksei Kosygin regarded Stuart Chase as his most important US writer. Kosygin's brief chronology in the Britannica Internet site indicated the background of a technocrat:

- 1921 Enters Petrograd Cooperative Technical School
- 1924 Sent to Siberia to work in a system of consumer's cooperatives
- 1931 Returns to Leningrad, enters Leningrad Textile Institute
- 1935 Goes to work at Leningrad's Zheliabov factory as a foreman, then shop or section chief
- 1937 Made director of October Textile Factory in Leningrad
- 1938 Made head of the industrial-transport department, Leningrad Obkom
- 1939 Made Peoples Commissar (Minister) of Textile Industry
- 1940 Named Deputy Chairman of the Soviet of Peoples Commissars
- 1941–42 Deputy Chairman of the Soviet for Evacuation; evacuates plants and factories to eastern U.S.S.R.
- 1943–46 Serves as Chairman of the Soviet Peoples Commissar for Russian Republic
- 1953–60 Chairman of Gosplan
- 1964 ...becomes Chairman of the Soviet of Ministers U.S.S.R.

The piece by Marshak is significant because it proves that Stuart Chase's works were well read in the U.S.S.R. and explains Kosygin's positive opinion of Chase. This opinion was not necessarily the party line. The third edition of the *Great Soviet Encyclopedia* (1978), translated by MacMillan Educational Company in 1982, had this entry on Chase:

CHASE, STUART. Born March 8, 1888 in Somersworth, N.H. American economist. Chase attended the Massachusetts Institute of Technology (1907–08) and Harvard University (1910). He served as a consultant to various US government agencies from

the 1920s to the 1940s. In 1925 he published *The Tragedy of Waste*, in which he cited an abundance of evidence regarding the plundering of productive forces under capitalism. Chase defends the erroneous theory of the possibility of reforming and improving capitalism. In *Technocracy* (1933), Chase maintained that the main role in this regard must be played by the technical intelligentsia. Chase was forced to acknowledge the under-utilization of production capacities in the USA and the existence of a constant army of unemployed. However, he considers these phenomena to stem not from capitalist production relations but from human psychology and dominant ideas and concepts. Chase expressed these idealist views in *The Tyranny of Words* (1938). He was an active proponent of the bourgeois reformist theory of a mixed economy in *Goals for America* (1942).

Chase considers government economic regulation to be the principal means of curing capitalism's ills. In Chase's opinion, the capitalist economy becomes mixed as a result of the combination of private enterprise with government regulation. In actuality, Chase's "mixed economy" is nothing but an apology for state-monopoly capitalism. Declaring that the reduction of unemployment requires the expansion of personal consumption and of military production, Chase essentially justified the militarization of the economy. Chase's advocacy of broad public works programs (for example, construction of airports and important highways) serves the same goals (Vol. 29, 69–70).

Key Topics: T4 Capacity; T6 Consumer Affairs; T8 Machinery; T13 U.S.S.R.; T14 Waste. **Key Attributes:** A6 Internationalist; A9 Political Economist.

7I. CHASE, STUART, *MONEY TO GROW ON*, (NEW YORK: HARPER & ROW, 1964)

This was the only writing of Stuart Chase that the writer of this book found to be rushed and not well developed. It appeared to be written quickly on the then (1963) topic of President Kennedy's tax cut legislation. However, Chase did return to his accounting roots with many comments and analogies.

Chase mentioned that the U.S. Gross National Product (GNP) included much economic waste, without his usual references to John Ruskin's "illth" (p. 5). Chase used a general GNP test to measure the shortfall of capacity utilization without the depth of the discussions of "capacity" of the 1920s and 1930s (p. 8). Chase did list 13 damaging effects of slow growth. Two of them – 6 and 7 – have accounting implications. "6. Slow growth brings the so-called 'profit squeeze' to many corporations. In spite of slowly increasing sales the *rate* of profit declines." "7. Outlays for research and development are reduced in the interests of economy" (p. 14).

He included various references to his father. Harvey Stuart Chase was treasurer of the Economy League of Massachusetts and sent his son all its literature (p. 24). President William Howard Taft appointed Harvey Stuart Chase to the Commission on Economy and Efficiency but H.S. Chase was defeated by treasury officials in his quest for a capital budget (pp. 139–140). H.S. Chase also fought unsuccessfully for a regular balance sheet for the federal government (p. 114).

Chase returned to his works on semantics for the word profits. He wrote:

“Profits,” “the profit system,” and especially “profiteering” are slur words to ideologists on the left. Marx held that labor created all value, and any profits taken out by management, over and above reasonable salaries, were in effect stolen from labor’s rightful share.

Ideologists on the right take the opposite view; “profits” is a purr word. They hold that value is created primarily by the investment of the capitalist, and any earnings taken by labor, above the going market price for labor, are in effect stolen from the rightful owners of the enterprise.

Thus the table is turned! But whatever may have been the situation when *Das Kapital* was published one hundred years ago, the battle is now conducted in an almost complete vacuum. The real world of today bears very little relation to either of these myopic views (p. 70).

Chase felt that the first objective for growth money was to alleviate poverty. He then stated the second.

The next most serious shortage is allied to the first but affects the entire population, affluent and nonaffluent. It is the failure to develop our *human* capital. We could all do a lot better than we have done with the brains we were born with, if the educational level of most schools were stepped up to that of the best schools. Beyond that is the necessity to find, and educate to the limit, mental abilities which are now going to waste. The Russians are far ahead of us in this (p. 107).

Later on, he used the World War II G.I. Bill of Rights, which helped to educate millions, as an example (p. 117).

In Chapter 15, “Debts: An Accountant’s View,” Chase made much use of accounting “lingo.” One example follows:

Furthermore, the co-called “free enterprise system” is a system based on debt nourished by debt, indeed unthinkable without the debt-investment complex. The thrifty man saves some of his income, the entrepreneur borrows it, and with it builds a better mousetrap. Thus we have an investment, accompanied by a debt, resulting in capital formation. Today of course the entrepreneur can get a loan from a commercial bank, outflanking the thrifty saver, but his debt to the bank is the bank’s investment. A short course in double-entry bookkeeping will prevent anyone from thinking about “debt” as a lone phenomenon. For every credit, there must be a debit (p. 124).

Another comment was:

It does not require a great array of facts to demonstrate the error of these widely, often passionately, held assumptions. No particular economic competence is needed to follow the conclusions arising from the established facts, just common sense—although that short course in double-entry bookkeeping would do no harm (p. 126).

Stuart Chase reverted to the very early 1910s and to his father's interest in federal government budgeting and accounting. This "old refrain" was updated because of social security.

But how do we define "income," "outgo," "deficit," or "surplus" in government accounting? It makes quite a difference whether we include or exclude various internal transactions of the government, such as social security funds. Beyond that, it makes a very large difference in evaluating the effect of the budget on the economy whether we include or exclude the capital assets, meaning the permanent new wealth which may result from government expenditures. The popular idea that all government spending is so much money down the drain, a dead loss to the community, will not stand reasonable analysis. Are the national forests a dead loss? The TVA? The huge and profitable Hoover Dam in Arizona on the Colorado River would not easily go down any drain. This concept of government outlay is as obsolete as the medical concept of bleeding patients for their several ills (p. 135).

Key Topics: T1 Accounting, Budgeting, and Taxation; T4 Capacity; T9 Planning; T12 Training; T13 U.S.S.R. **Key Attributes:** A1 Egalitarian; A6 Internationalist; A9 Political Economist; A15 Utopian.

7J. CHASE, STUART, *THE MOST PROBABLE WORLD* (NEW YORK: HARPER & ROW, 1968)

As this epic book marked the end (at age 80) of Chase's major writings, it was used as a wrap-up of his major points. Chase made this interesting comment on Utopias.

Although I am seeking to project into the future trends which seem urgent, this study is not crystal ball undertaking. Other writers have racked their imaginations in an attempt to picture what the condition of man will be in 1984, or at the end of the twentieth century, or a hundred years, a thousand years, from now. One of the world's most daring imaginers, Olaf Stapledon in *Last and First Men*, takes a fix on the year A.D. two billion, after 15 varieties of sentient beings—including a species which makes a mass migration to Neptune—have come and gone. His is the longest view of Homo sapiens I know of. H.G. Wells, in *Men Like Gods*, transferred three automobile loads of present-day earthlings to a planet, out beyond Sirius, with similar physical conditions to our own, using a massive equation of relatively to get them there.

We class these fancies as Utopias, following Sir Thomas Moore, who wrote the first *Utopia* in Latin in 1516. Most picture an ideal culture, where sin and war and poverty have been outgrown. Bellamy's *Looking Backward* is a classic example. Other visions,

such as Orwell's *1984* and Huxley's *Brave New World*, are, by contrast, pretty grim, with citizens suffering under brutal commissars and expert brainwashers.

Obviously this present book is not in the Utopian tradition—except for one lyrical passage, carefully segregated in the epilogue. It takes a hardheaded look at ten current trends, all deriving from science since Galileo, and then attempts to project them into the next few decades, say to the year 2000. What do they promise for the human condition? What might be the resultant of these powerful forces? (pp. ix–x)

His epilogue entitled “Not Quite Utopia” takes a look at a faculty member of Westchester State College on a Sunday morning in the spring of the year 2001 (p. 226).

Chase reiterated the importance of the account books of Sumeria in about 3000 B.C. to the beginning of *literary knowledge* (p. 4). He also commented on the explosion of knowledge.

A scientist like Alexander Humboldt could, in 1800, grasp the whole range of scientific knowledge, but no human mind is capable of grasping more than a small fraction of it today. Specialists in one discipline, say biology, are losing touch not only with other disciplines, but even with the latest findings in branches of their own specialty. More than half a million scientific papers appear every year, and librarians are quietly going mad trying to record them. This avalanche has been called the “information explosion,” and, as in the case of population, a reckoning cannot indefinitely be postponed (pp. 12–13).

While discussing Ruskin's word “illth,” Chase noted the difficulty of determining “illth” from “wealth.”

Illth has called forth many protests from philosophers and humanists, and indeed from many scientists who are appalled at the degradation of the primary output in pure research. I have even thrown a brick or two myself. But is it possible to imagine the Congress at Washington passing a law to forbid new invention, or to close up the Patent Office? We shall have to ride this curve out, taking the illth with the wealth for a long time to come (p. 13).

Chase made an interesting comment on costs of pollution control. One only wishes he had used his significant skills to elaborate on this quote.

The most spectacular destruction of the good earth is, of course, open-pit mining for coal and other minerals. Without careful and expensive replacement of the soil when the operation is over, nothing may ever grow there again. By contrast, in Germany a mine cannot be opened unless plans are first filled to heal the wound, with severe penalties for their neglect.

The United States lags far behind Europe in protecting its land, but the President's Advisory Committee on Environmental Pollution makes the sound point that there should be no right to pollute. Antipollution measures should take their place along with public schools as a mandatory public service. In due course industry must include the costs of pollution control together with materials and labor (p. 68).

Chase differentiated between the Main Street merchant's knowledge of the federal involvement in R&D with that of General Motors. Chase wrote:

This is exactly what the federal government has been accomplishing through fiscal and monetary controls, running back to the days of the New Deal. It has set up strong defenses against both severe depression and runaway inflation. The state also provides vast programs of R&D (\$16 billion in 1966), which are most helpful to business; it trains and educates specialists for the System's staff. Above all, the state cooperates with industry in producing the hardware and supplies for the military establishment, for the space program, for the Atomic Energy Commission, and for other huge technical operations where the line between public and private authority is indistinct and in large measure imaginary.

...When this is perceived, the central trends in American economic life become clear. On few matters is an effort to free the mind more rewarding. The Main Street merchant may continue to denounce government interference with some sincerity, but General Motors knows better (p. 112).

Chase remained interested in the U.S.S.R. and its Gosplan. He certainly noted the work done by Kosygin.

Central state planning (the Gosplan) in Russia, dominant under Stalin, relaxed a little under Khrushchev, and has now surrendered to various techniques for more efficient production, techniques found in the private sector of open societies. Premier Kosygin, in an epoch-making speech in September 1965, demanded the following reforms:

Local plant managers must be given more power to hire and fire.

They must be given more responsibility in procuring raw materials.

They must be given more opportunity to make a profit and to invest in the business.

The Gosplan in Moscow must cease making detailed plans for local enterprises (p. 113).

While commenting on automation, Chase used an accounting analogy of "assets and liabilities."

Labor-saving devices, led by the computer, are encouraging more production and more unemployment. Automation may thus be classified as both asset and liability. It can eliminate a great deal of dull, monotonous labor, but if unrelieved idleness is the end result, the cure may be worse than the disease. The evidence strongly indicates that man is a working animal—in the sense of needing an activity that involves hand and brain, and that makes sense to him (p. 197).

He used the term "capacity" in an interesting way.

The Ability to Think

In close alignment with trends in college enrollments and in the behavioral sciences is an interesting experiment being conducted in Berkeley, California. It tends to verify a conclusion often emphasized by biologists such as Julian Huxley: *The normal human brain is almost never used at capacity.* It can handle more input than it is ever likely to be charged with (p. 206).

What a magnificent way to end the last major work at age 80. The author ranks this as the second best effort of Stuart Chase, just edged out by *The Tragedy of Waste*. Putting the two of them together as a reading package, even though the second was done over 40 years later, is quite an eye-opener to the immense abilities of Stuart Chase.

Key Topics: T1 Accounting, Budgeting, and Taxation; T3 Business; T4 Human Relations; T11 Social Sciences; T13 U.S.S.R. **Key Attributes:** A5 Generalist; A6 Internationalist; A9 Political Economist; A15 Utopian.

LOOKING FORWARD

While Chase wrote for many years after 1968, these writings were short and mostly honorary in nature. However, scholarship about him really picked up speed in the last period of his life and after his death.

THE LAST YEARS, 1969–1985

As Stuart Chase reached 80, a number of different writers, and researchers, both academic and journalistic, strove to capture the essence of him. Chase also continued to write on various issues as well as a number of reflective pieces.

8A. LANIER, JAMES CARPENTER, *STUART CHASE: AN INTELLECTUAL BIOGRAPHY (1888–1940)* (ANN ARBOR, MI, 1970).

Lanier's dissertation at Emory University was partially based on interviews he had with Stuart Chase. Lanier noted that in the 1930s Chase would commute into New York City to meet with his publishers "and to supplement his income with some limited work in his first profession, accounting" (p. iii). Lanier contrasted the fast-paced Harvey Stuart Chase with the more laid-back Robert Stuart Chase (Stuart Chase's grandfather) (p. 4) and with the literary interests of Harvey Stuart Chase's two brothers – Clifford Hoffman Chase and Arthur Taft Chase (p. 5). "Harvey Stuart Chase's accounting firm of the early 1900s had a staff of forty and was the largest accounting firm in New England" (p. 9). "Stuart Chase found that accounting bored him" (p. 11). Lanier wrote "...that Chase could continue working in his father's firm while being publicly involved in many causes which challenged his parents' views suggests that his parents were unusually tolerant of him and very flexible toward a son they loved. Amicable relations remained between parents and son despite permanent philosophical and political disagreements" (p. 21).

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Lanier noted that the company for which Stuart Chase was employed in New York was the Scott Company, a stamp firm owned by Charles Hatfield – Chase’s father-in-law from 1914 through 1929 (p. 41). Lanier also detailed Chase’s tasks at the Labor Bureau: “aiding unions achieve higher wages for their employees (members?) and helping (labor) cooperatives manage their fiscal affairs” (p. 44). Chase spent 3 months each year in the 1930s lecturing, mostly on college campuses (p. 85). Lanier reported on Chase’s opinion of the early years of the New Deal.

Much of the recovery program initiated by the Roosevelt administration in its first two of years disappointed Chase. He was highly critical of the National Recovery Administration throughout its existence. Although usually regarded as a project of the economic planners in the Brains Trust, NRA did not meet the standards Chase set for sound planning. From the beginning, he believed business influence was allowed to dominate NRA. Large industrialists hoped to use NRA to escape the pressures of competition, restrict production, and fix prices. Economic expansion, essential in the midst of widespread unemployment, would not result from this program. The operation of NRA soon proved Chase’s predictions to be right (p. 144).

Lanier considered that Chase “was fundamentally a utopian, but he was hampered by his refusal to admit that fact” (p. 192). In his last three paragraphs, Lanier concluded this about Stuart Chase:

... He was fundamentally a utopian, but he was hampered by his refusal to admit that fact. At least down to 1940, he would have categorically rejected such a label....

Without consciously acknowledging it, Stuart Chase was engaged in the essential and valuable task of projecting a realizable vision of the good society. He believed in the need for men to exercise rational control over their community life. His good society was one in which all men found meaningful employment, acquired the basic necessities of life without difficulty, and enjoyed a wide latitude of cultural freedom. He sought to inspire people to realize this vision in a number of ways: by pleading for the use of rational intelligence, by pointing out in explicit terms the ways in which American society failed to live up to his standards, by showing the advantages of adopting economic planning. Though he tended on occasion to romanticize the agrarian past and primitive societies, he tried to construct his image of utopia upon a careful study of technological developments and upon a wide reading of social and economic theory.

Because of the quality of his vision and the tenacity of his commitment to the difficult task of utopian thinking, Chase made significant contributions to the life of his society. He called into question many of the value assumptions of a marketplace economy. He was aware of the waste of human resources which poverty and unemployment perpetuated. With rare integrity and prescience, Chase performed the task for conveying specialized knowledge to the layman. In democratic society, the value of that function can hardly be overestimated (pp. 192–194).

The writer has a somewhat different view than Lanier about Chase’s feelings about being labeled as a “utopian.” Certainly, Chase was unwilling to be

typecast as belonging to any one classification after the early 1920s and being a “utopian” was one such typecasting. The writer decided to read a few commentaries on utopias and dystopias and to review Jules Verne’s *Mysterious Island* and literary books on Jules Verne.

The book that helped the writer the most for a review on utopias was Marie Louise Berneri’s *Journey Through Utopia* (1951). The writer thinks that Chase would have been unhappy with the autocratic nature of the leaders of utopian societies and their proposals. Chase would have felt them to be of a “dreamy nature” with no direct means of tying their view of a perfect society to actions to achieve their visions. Chase probably would have considered there to be a thin line between “utopias” and “dystopias.” He probably would have felt that there were no long-term successes of utopian experiments. The writer believes an expert on the philosophical aspects of “utopias” and “dystopias” would add much to a series of seminars on Stuart Chase. The writer also believes that Chase would have accepted the designation of “neo-utopian.”

Herbert R. Lottman in his *Jules Verne: An Exploratory Biography* (1996) compared Verne and *Mysterious Island* to Daniel Defoe and his *Adventures of Robinson Crusoe* (pp. 97–98). Arthur B. Evans in *Jules Verne Rediscovered: Didacticism and the Scientific Novel* (1988) wrote:

The first (and earliest) characterization of the Vernian scientist is unsparingly laudatory—albeit one-dimensional—where his courage and knowledge are exceeded only by his personal integrity and altruism. This sort, as previously discussed, is typified by such individuals as Dr. Fergusson of *Five Weeks in a Balloon*, Cyrus Smith of *Mysterious Island*, or Dr. Clawbonny of *The Adventures of Captain Hatteras*. One might be tempted to say that Captain Nemo of *Twenty Thousand Leagues under the Sea* also belongs to this category of heroic scientist. But Nemo’s solitary nature, his moments of brooding silence, and his thirst for vengeance make him much less one-dimensional as a fictional character and infinitely more intriguing his mysterious and oxymoronic personality identifying him as a quite unique specimen in Verne’s roster of protagonists (pp. 82–83).

The writer had been unable to arrive at a universal model for determining “waste” but his studies on Stuart Chase have led to such a model. The writer’s first step for a universal model to determine “waste” is for the individual and/or organizational unit to desire to know what is the best they can be – the motivation stage. The second step is to determine the best they can be – the knowledge stage. The third step is to prioritize the changes needed to be the best they can be within certain time periods – the planning stage. The fourth step is the sharing of this information with the parties affected – the gaining consensus stage. The fifth step is measuring the attainment of the various plans – the measurement stage. The sixth step is the

periodic review of the process to update each of the steps with new research inputs – the renewal stage.

This model allows for all resources, processes, and individuals to utilize Chase's writings on waste. This is, in the writer's view, a positive model that should be juxtaposed against Chase's negative models described in *The Tragedy of Waste* (4G, 1925, pp. 1–2) and in "Channels of Waste" (4I, 1926, p. 251). The writer sees an equal, but unfilled, need for a "Waste Hero" as well as a "Wastrel." Chase did regard Henry Ford as a "partial hero," for example, but never seemed to develop a "model hero." The writer hopes that he and others can devote much more time to the "Waste Hero" model, so that Chase's goals and writings on waste can be operationalized successfully.

Key Topics: T1 Accounting, Budgeting, and Taxation; T4 Human Relations; T14 Waste. **Key Attributes:** A5 Generalist; A7 Literate; A9 Political Economist; A13 Social Activist and Critic; A15 Utopian.

8B. SHAINWALD, SYBIL, "CHASE, STUART INTERVIEW WITH SS & EXCERPTS, JULY 5, 1972"

Chase noted that while he could have returned to his father's firm after the Federal Trade Commission, he decided to strike out on his own and join the Labor Bureau in New York (p. 3). Chase classified himself as a generalist with three specialties: "accounting; economics; and semantics/communications" (pp. 3–4).

Key Topics: T1 Accounting, Budgeting, and Taxation; T5 Communications; T13 U.S.S.R. **Key Attributes:** A5 Generalist; A6 Internationalist.

8C. CHASE, STUART, "TOWARD A STEADY-STATE SOCIETY," *CURRENT*, JANUARY 1976, PP. 3–8. THIS IS A REPRINT OF "A MODEST UTOPIA," *FUTURIST*, OCTOBER 1975, PP. 249–253

Chase, using Aldous Huxley as a source, held that until the population problem is controlled, all other major problems are insoluble (p. 4). If this occurred, Chase felt an adequate living could happen for every human being (p. 4). Chase certainly had a modest expectation for Utopia: "One good working definition of Utopia might be a place where everyone feels he has

an important role. The steady-state society should make considerable progress in that direction” (p. 5).

Key Attributes: A5 Generalist; A15 Utopian.

8D. SILBER, NORMAN, “STUART CHASE-ORAL HISTORY INTERVIEW,” SEPTEMBER 29, 1977

Chase commented on his father’s significant successes in accounting. Harvey Stuart Chase had urged him to go to M.I.T. for 2 years and then to Harvard to “take what they have in economics and accounting” (p. 1). By about 1900, “Harvey S. Chase and Company was the biggest accounting firm in New England” (p. 3). Chase said this about his father: “No, he wasn’t a strict disciplinarian, no. One or two times when I got into trouble, but not often. No, I was fond of my father” (p. 4). Stuart Chase at Harvard took “hum-drum courses in accounting and economics” (p. 5). Chase told of his failing the C.P.A. exam on his first sitting. He remembered:

Well, my father wasn’t too disappointed, because he said you’ve got to have a little practice and experience before you can pass! And the next year I took it again and passed. And I, as a junior accountant, had a look at all kinds of businesses. Retail, wholesale, manufacturing, municipal. Very educational, to see how these various organizations worked. I stayed in accounting until World War I came along, and then I went down to Washington and offered my services, and they put me in the Federal Trade Commission, and later transferred me to the Food Administration under Herbert Hoover.

Silber: Did you have a love for accounting? I mean did you really enjoy those 10 years as an accountant?

Chase: To a degree. I got bored after a while, but I like to fool around with figures. And to go from one concern to another was interesting.

Silber: Did you help some of these firms out of bankruptcy?

Chase: Oh no, nothing like that. I was usually under a senior, you see. I was a junior accountant. And sometimes there’d be a dozen of us. And sometimes, when you did a bank examination, we would get locked-up all night: Spend all night down in the cells, working on the books (p. 7).

Chase related this story about Herbert Hoover during World War I times.

When I was working on *The Profits of the Packers* for the Federal Trade Commission, I noticed that while they had a lot of publicity about how miserable their profits were, I saw that their profit on their sales—percentage of profit on sales—seemed low, but if you transferred that, as a good accountant should, to the *profit on net worth*, it was very substantial, right through the war. And when I found that out, I telephoned Mr. Hoover in Washington and said that I wanted to see him. He said “Well, come on down,” so I went down, and I showed him these figures, and he went over them, and he said “Well,

Chase, the boys in France are getting their meat, aren't they? I said "Yes, they're getting meat all right." "Why bother about it?" I'll never forget that phrase. "Why bother about it." So then I went back to Chicago very much disillusioned (p. 10).

However, Chase also stated to Silber that Hoover had some saving graces.

Silber: You had had an early, bad experience with Hoover, I gather, so you were not particularly impressed by Herbert Hoover, even in the early twenties when he was becoming "The Great Engineer."

Chase: Yes, I never could forget that time he told me "why bother about it." But at the same time I was very pleased that he was working on problems of waste.

Silber: He wrote *Waste in Industry*—headed the Hoover Commission.

Chase: Yes. I wasn't involved in that except that later on I used it in *The Tragedy of Waste* (p. 18).

Silber and Chase ended this interview with the following exchange:

Silber: Malcolm Cowley reviewed your book, *Rich Land, Poor Land* in the *New Republic*.

Chase: *Rich Land, Poor Land*.

Silber: And he wrote that you had a special talent for touching the imagination, for painting pictures of a warm, bright future that could be reached by following the simple and sensible causes that you indicated. You always proposed practical solutions. Always a combination of idealism and very practical recommendations.

Chase: That comes of going to MIT, I guess, [laughter] and being an accountant (p. 23).

Key Topics: T1 Accounting, Budgeting, and Taxation. **Key Attributes:** A3 Family-Oriented; A13 Social Activist and Critic.

8E. BLOOM, ROBERT, "THE IDEAS OF STUART CHASE: PIONEER SOCIAL ACCOUNTANT AND ECONOMIST," WORKING PAPER NO. 52, ACADEMY OF ACCOUNTING HISTORIANS, 1982.

Bloom relied on Lanier's dissertation to review some of Chase's writings from 1912 through 1934, with an additional reference to Chase's 1945 book, *Democracy Under Pressure* (pp. 179–180). Bloom ended his working paper with 14 questions he would ask Chase if Bloom would have interviewed Chase in 1981. The writer selected some of these and urges the reader to attempt to determine Chase's responses to Bloom's questions.

1. Corporations rely on the accounting function to maintain efficient operations. What general functions in corporations today do you see as operating inefficiently, and what can the accountants do to control this problem?

2. As a CPA, what specific new ways can the accounting profession adopt to better measure waste and inefficiency both in the public and private sectors?

3. Do you still believe there is a needless duplication of production facilities, or have American firms made progress in this area? If not, what steps need to be taken?

....

6. Elaborate on what you consider the major inefficiency of government, and what the new administration can do to remedy the problem.

7. What do you view as the most important issue in upcoming labor-management negotiations, and what effect will this have on U.S. firms in the international market?

8. How do you view our attempts to conserve resources as compared to the rest of the world, and what areas need the most attention?

....

12. Do you see us heading toward an industrially wasteless society? If not, what factors prevent this?

13. What can educators and researchers do to aid us to become a more efficient society?

14. What is your overall outlook for the future? (p. 178).

Key Topics: T1 Accounting, Budgeting, and Taxation; T10 Resource Management; T14 Waste. **Key Attributes:** A9 Political Economist.

LOOKING FORWARD

Ninety-seven years is a long, long time. Chase did a lot, and had much written about him. While the scope of the book was limited, the writer feels he has captured much of the spirit of Stuart Chase. It is now time to make conclusions from this effort.

CONCLUSIONS

The writer presents eight findings in this chapter. A limitation section, as well as a future work section, is also included. The writer hopes the readers have been as exhilarated as he was with the intellectually stimulating experience of reviewing the life and writings of Stuart Chase from an accountant's perspective.

1. FINDINGS

1A. Stuart Chase Was an Accountant and a Very Good One at That

The writer would not have continued with this project if he was not, early on, convinced that there are more than enough significant accounting aspects of Stuart Chase's life and writings on accounting to justify a book. In fact, after his preliminary research on Stuart Chase, the writer found many more details on accounting, budgeting, and taxation than he thought previously existed.

Stuart Chase was a practicing accountant for at least 17 full years, 1910–1927. He remained involved with the Labor Bureau for probably at least two more years. This was also true of his involvement with the Scott Enterprises. Whether this involvement survived his divorce in 1929 from Margaret Hatfield Chase is questionable. Chase certainly wrote about accounting matters in his writings and wrote a very nice piece for the accountants and stockholders of Standard Oil of New Jersey in 1948.

Not only did he have a long stint as an accountant—approximately, a total of 20 full-time years—his experiences were both varied and unique, and

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were highly regarded. His 7 years with Harvey S. Chase & Co., which today would be called “a large regional public accounting company”, would have provided a wide variety of experiences just by the nature of the work involved. His experiences in Washington, DC, assisting his father on President Taft’s Commission on Economy and Efficiency, were probably priceless. Harvey Stuart Chase was a giant in the field of public accounting, with outreaches to (1) municipal, federal, and international governmental accounting; (2) leadership in his profession; and (3) the academic community. Harvey Stuart Chase certainly provided a strong start for his only son, Stuart Chase (Vangermeersch, 2002).

Stuart Chase’s experiences with the Federal Trade Commission (FTC) and the Food Administration from 1917 to 1920 were of a very high standard, and quite frankly, he performed remarkably well. Chase clearly took on a strong and positive leadership role. His relationship with Herbert Hoover, while a mixed one, illustrated how high up Chase and his work had reached. The level of attention paid to him by Senator Watson was indicative of this as well.

Stuart Chase and his work must have been regarded as both excellent and questioning (but not in a radical way), because he did receive very positive signals from the accounting profession. His 1920 piece, “What Is a Reasonable Profit?” was published in the *Journal of Accountancy*, the official journal of the American Institute of Accountants (AIA). The writer doubts that this would have happened if Stuart Chase had been a radical. Twenty years later, his references to depreciation were noted in an editorial in the *Journal of Accountancy*. In 1948 his work on “How to Read an Annual Report” received very favorable editorial coverage in the *Journal of Accountancy*, and the AIA obtained reprint rights to the work.

Stuart Chase’s three pamphlets for the International Textbook Company are not only indicative of his high standing in the field, but of his father’s standing too. The writer’s long struggle to find *Special Accounting Examinations and Reports* was certainly worth the effort, as this publication is of a very high standard. In fact, this work is a true classic and deserves to be reprinted.

Stuart Chase’s efforts at the Technical Alliance and at the Labor Bureau represent unique accounting experiences. Since Chase wrote and talked about each, there are some extant writings left from these efforts.

Now we come to the key issue of why Stuart Chase was so negative about his accounting experiences and about both the work of and personalities of auditors and bookkeepers. The writer believes that Chase’s comments have greatly influenced researchers’ views on Chase’s long career in accounting. This

is unfortunate, because as a result, the necessary research on Chase's works and efforts as an accountant has never really been conducted. Hence, the writer hopes that this book will prove to be a reasonable effort in that direction.

The writer believes that Stuart Chase may have expected too much from his accounting experiences, especially during his Boston years with Harvey S. Chase & Co., and that the profession may not have met Stuart Chase's expectations, particularly by comparison with the exhilarating learning experiences he was having outside the accounting profession. The writer can understand Stuart Chase's boredom with accounting in relation to such concepts as Fabianism, Socialism, Marxism, Veblenism, and Single Taxism. The writer, however, feels that Chase's experiences with the Taft Commission, the FTC, the Food Administration, the Technical Alliance, and the Labor Bureau may not have been as uninteresting. It is possible, though, that the Scott Stamp and Coin ventures did not excite Chase much.

Boredom may partially explain Chase's dismissive attitude toward bookkeepers and auditors, but is clearly not the only explanation. The writer concludes that Stuart Chase had developed blind spots in his dealings with these two classes of workers, which led him to break with his strongly egalitarian nature.

The writer hopes his efforts in this book will lead to a posthumous nomination of Stuart Chase for the Accounting Exemplar Award given by the Public Interest and Ethics Section of the American Accounting Association. The writer was instrumental in the creation of the award (Vangermeersch, 1993, p. 2). He presented the first award to Arthur Wyatt in 1994 and nominated and presented the award to Eli Mason in 2001. He was also the co-nominator of the 2003 award winner, Cynthia Cooper from WorldCom (Vangermeersch, 2001). The writer would be overjoyed to present the 2006 award to the Chase family.

1B. Stuart Chase Can Be a Role Model for Socially Active Accountants

Practicing accountants, accounting academics, and accounting students can all benefit from Stuart Chase's—and also Harvey S. Chase's—efforts to improve society through the use of accounting. Stuart Chase's classic 1935 comment in his 25-year Harvard report is indicative of how accounting can benefit society:

...Accounting frequently bored and irked me, but the discipline was helpful later on. It kept me, as a writer on economics, from getting too far off the earth. This will be news to some of my orthodox friends, but had I never toiled over balance sheets and cost

systems, I would probably be twice or thrice as wild a social theorist as they now consider me (p. 125).

This holds true whether accounting is used as a socially useful approach to the left—as Stuart Chase’s views tended—or the right—as Harvey Stuart Chase’s views were inclined. The writer believes that the field of accounting is based very strongly on the social sciences. He believes that Stuart Chase holds a strong appeal for liberal arts graduates who are looking at accounting as a second career opportunity. Stuart Chase’s emphasis on the importance of clear communications goes far beyond his father’s stressing of literacy in accounting (Vangermeersch, 2002, pp. 99–100). If Stuart Chase were granted the Accounting Exemplar Award, his role model status would be further enhanced.

1C. Some of Stuart Chase’s Writings Should be Reprinted and, Perhaps, Even Replicated

A number of Stuart Chase’s books would greatly benefit the field of accounting if they were reprinted. *The Tragedy of Waste* (1925) provides such a strong preview of Chase’s later efforts that it would probably be the most significant reprint. This is especially important for non-academics, as academics, most likely, have easier access to the 1925 work. Chase and Frederick J. Schlink’s *Your Money’s Worth* (1927) is another book that would give accountants much help in questioning, and hence helping to control advertising costs. Both of these trailblazing books need to be replicated for the new century and new millennium.

Chase’s *Special Accounting Examinations and Reports* will undoubtedly give an accounting historian a much better view of some early writings in the field of special accounting reports. This is also true of *Profits of the Packers* (1920). *Idle Money, Idle Men* (1940) may help accounting researchers understand issues about accounting for capacity and capacity costs.

While Chase only wrote the Foreword to *The Chart of Plenty* (1935), the writer predicts that much good may result from the replication of this book, with emphasis not only on manufacturing but on the service industry as well. Capacity—and accounting for it—is even more out of control in 2005, in the writer’s view, than it was 70 years ago.

The writer also suggests a book of readings of Chase’s articles on accounting, along with articles about Chase. These articles are:

1. “Budget Building,” *Good Housekeeping*, April 15, 1916.
2. “Budget for Three,” *Good Housekeeping*, May 1917.

3. "War Budget for the Household," *The Independent*, Aug. 4, 1917.
4. "What is a Reasonable Profit?," *Journal of Accountancy*, June 1920.
5. "The Federal Trade Commission Yields to Pressure," by G.T. O'Dell in *The Nation*, January 12, 1921.
6. "Challenge of Waste to Existing Industrial Creed," *The Nation*, February 23, 1921.
7. "Waste and Labor," *The Nation*, July 20, 1921.
8. "Henry Ford's Utopia," *The Nation*, July 21, 1926.
9. "The Practical Man and His World," *New Republic*, January 5, 1927.
10. "Nemesis of American Business," *Harper's*, July 1930.
11. "Luxury of Integrity," *Harper's*, August 1930.
12. "Our School Burns Down," *New Republic*, March 4, 1931.
13. "Foreword," *The Chart of Plenty*, 1935.
14. "Our Capacity to Produce," *Harper's*, February 1935.
15. "What is Public Business?" *Current History*, April 1935.
16. "Where's the Money Coming From?," *Common Sense*, January 1936.
17. "Behind the Budget," *Atlantic Monthly*, September 1939.
18. "Labor-Management Committees Speed Production," *Reader's Digest*, May 1943.
19. "Teaching Foremen that Workers are People," *Reader's Digest*, September 1943.
20. "To Do It Easier and Do It Better," *Reader's Digest*, November 1943.
21. "Facing the National Debt," *Science Digest*, April 8, 1944.
22. "Production First," *Nation*, January 13, 1945.
23. "Road to Labor Peace," *Reader's Digest*, May 1947.
24. "How to Read an Annual Report," *Lamp*, March 1948.
25. "Why Some Companies Have No Labor Trouble," *Reader's Digest*, June 1952.
26. "Get the Facts First!," *Reader's Digest*, September 1953.
27. "The Ideas of Stuart Chase: Pioneer Social Accountant and Economist," Robert Bloom, Working Paper No.52, 1982.
28. "Stuart Chase: A Radical CPA and the Meat Packing Investigation," by Linda J. Bradley and Barbara Merino in *Business and Economic History*, Fall 1994.

There are many other books and articles by Stuart Chase that need reprinting and replication, but they are beyond the scope of this chapter.

*1D. Not Only Do We Need More Negative Role Models (Wastrels),
We Need to Develop Positive Role Models (Waste Heroes) as Well*

The writer remains strongly attached to the two sets of four wastrels described by Chase in *The Tragedy of Waste* (1925) and in the "Channels of Waste" (1925). Many more wastrels exist and should be modeled within a modern setting. But even more important is Chase's writing about waste heroes. The writer wishes that Chase had gone beyond Henry Ford as a "Waste Hero." Chase—the best writer on the topic ever, in the writer's view—still did not go to the "next level" of a "Waste Hero." The writer

hopes that scholars on utopias and on political economy would be interested in adding to and updating the wastrel models, as well as in developing “Waste Heroes.”

1E. Stuart Chase is Deserving of a Full-blown Biography

A reading of the text of this book on Stuart Chase and a close study of the appendix on the “Chronology of Stuart Chase” should lead readers to demand a full-blown biography on Stuart Chase. The writer has built this book along a possible base for this full-blown biography. It is hoped that the seven stages of Stuart Chase’s career will provide fairly realistic time frames for such a biography. The 15 topics also seem to be quite realistic. The writer is, however, concerned with the use of the 15 attributes, as an attribute approach may prove controversial for historians. The writer is also not sure of whether this approach is unique and whether historians would be comfortable with it. While the writer is willing to be out-voted by more learned historians on the “attribute issue,” the 15 attributes seemed to work for this book. If no full-blown biography is ever written, the writer offers this book as, at the very least, an acceptable substitute.

1F. In Order to Write this Full-blown Biography, There Must be at least One Inclusive Conference on Stuart Chase

No biographer can do justice to the varied expertise and attributes of Stuart Chase without expert reviews of Chase’s writings. The writer believes that these experts exist, but that they need to come together at a conference on Stuart Chase. The biographer or biographers need to take a holistic and synergistic look at Stuart Chase before a successful writing project can commence. The writer proposes at least one massive conference on Stuart Chase with experts on these 15 topics and 15 attributes making their contributions both in writing and orally so that the biographer and/or biographers can take a thorough look at Stuart Chase. The writer remains most tremendously intrigued with the “political economist” attribute of Stuart Chase. (Here, a sincere thanks is due to Emeritus Professor of Economics Joel Dirlam of the University of Rhode Island for his inputs on John Ruskin, Thorstein Veblen and the Fabians.)

A good start has already been made. In 2003, Alan Hodson, Stuart Chase’s grandson; John Carfora from Boston College; and Sonia Chase

Hodson, Stuart Chase's daughter; have formed the Stuart Chase Society, which also has its own website (see 2003 in Appendix A).

IG. Like Harvey Stuart Chase, Stuart Chase Carried the Torch for Improving the Budget of the Federal Government. The Torch Needs to be Relit

The work done by Harvey Stuart Chase on the national budget (Vangermeersch, 2002, p.96, Reading No. 11, and Reading No. 14), promoted by Wendell Wilkie in the 1940 presidential campaign (Vangermeersch, 2002, pp.68, 69, 96) and then restressed by Stuart Chase, needs to be updated now for the US national budget. The writer wishes that Stuart Chase, like his father and Wendell Wilkie, could have gotten the "Swedish Approach" adopted by the United States. The writer hopes that this book will relight the flame of budgetary reform for the national, state, as well as municipal budgets.

IH. This Research on Stuart Chase Seems to Indicate that His Writings Have Been Slighted in the Accountants' Index. Perhaps this Slighting is Applicable to Left-wing Literature and Writers rather than Just to Stuart Chase.

The writer has been mulling over this hypothesis since the time of his work on Alexander Hamilton Church in the very early 1980s (Vangermeersch, 1988, p.41). Chase's writings on capacity should have made it to the *Accountants' Index*. Certainly, the McNair and Vangermeersch efforts (1996, 1998) would have been better if Chase's works were included in the *Accountants' Index*. Does this writer suspect that Chase was "blacklisted" by accounting leaders? Not really, but the writer notes a tendency for left-wing publications and writers to be left out of the *Accountants' Index* because of the seemingly non-accounting nature of these publications and writers. This writer would like to see an accounting history scholar update the *Accountants' Index* on selected "left-wing journals and writers."

2. LIMITATIONS OF THIS BOOK

Any book short of a full-blown biography of Stuart Chase is going to overlook his holistic and synergistic nature. Certainly, this book cannot be

termed as a full-blown biography. The writer has, however, tried to develop a fairly complete chronology of Stuart Chase's life, and that, hopefully, lessens the failure to write a full-blown biography.

Even while writing this book from an accountant's narrow perspective, the writer has always been cognizant of his personal decisions in choosing which writings to review. Certainly, another accounting historian would have come up with a different mix of Chase's works. Critics are welcome to revise the items selected and use the chronology presented to select further items for inclusion.

The writer has done less with the Chase family interplay than a full-blown biographer would have. He has already noted in his book on Harvey Stuart Chase that the diaries of Robert Stuart Chase should be transcribed and analyzed (Vangermeersch, 2002, p.101). These diaries would also help readers obtain an understanding of Deacon Samuel Chase; Robert Stuart Chase and his brothers; Harvey Stuart Chase and his brothers, and Stuart Chase. A review of Robert Stuart Chase's diaries could provide a complete look at the 19th and 20th Centuries.

3. FUTURE WORK

The writer hopes that he can contribute to the Stuart Chase Society and to conferences on Stuart Chase. He has a very good perspective on the Chase family background, as well as specific knowledge about Harvey Stuart Chase. Already noted are the works done by accounting historians such as Robert Bloom and Barbara Merino. The insights gained from the writer's historical works on accounting for capacity, and his interest in waste would be quite helpful. Hence, the writer hopes to be part of this effort.

Finally, the writer would like to thank the readers for the time they have invested in this book. Hopefully, this is the beginning of a full-blown biography on Stuart Chase. At the very least, because of this publication, Stuart Chase and his works will be better known in society than they have been since the late 1960s.

APPENDIX: CHRONOLOGY OF STUART CHASE

RGPL = *Readers' Guide to Periodic Literature*

Nat. Un. Cat. = *National Union Catalog*

WWW = *Who Was Who in America*

- 1888 (Mar. 8) S. Chase was born in Somersworth, N.H., son of Harvey Stuart and Aaronette (Rowe) Chase and a descendant of the Englishman Aquila Chase, who settled at Hampton, NH, in 1640, (*The National Encyclopedia of American Biography*). S. Chase was raised in Haverhill, MA, (*Boston Globe*, obit, Nov. 18, 1985). His grandfather was a shoe manufacturer and banker in Haverhill (*Nat. Enc. Of Amer. Bio* for Harvey S. Chase).
- 1893 Harvey S. Chase invented the "Chase Magnetic Ore Separator" (*NY Times*, Apr. 10, 1946, obit.).
- 1894 (June) Clifford Hoffman Chase, S. Chase's uncle, published "The Critical Hour" in *New England Magazine*, pp. 413–423.
- 1895 (Jan.) Clifford Hoffman Chase published "Thomas of Parkworth's" in *New England Magazine*, pp. 628–640.
- 1905 The firm of Harvey S. Chase & Co., auditors and expert examiners of accounts was founded (*Nat. Enc. of Amer. Bio.*).
- 1906–1908 Stuart Chase attends MIT – the school from which his father graduated in 1883 (*Nat. Enc. of Amer. Bio.*). [According to his father's plan, he was booked for the first two years of college at MIT "to learn how to work" with two years at Harvard to broaden his knowledge of business, banking and economics.] (*The Redding Times*, Apr. 26, 1956).
- 1907 S. Chase was quoted by Norman Silber (Sept. 29, 1977, p. 4): "'07 and '08, yes. I graduated from Newton High School in '06. And that fall went to MIT, '06 and '07, '07 and '08. Probably the most educational thing that ever happened to me was that after I'd finished my freshman year at MIT, father took the family abroad. We had a walking trip through

- Switzerland, and we went down to the Italian lakes, and on down to Rome, Naples and Brindisi. Here we took a yacht – it was one of these educational outfits that cruised through the Grecian islands, and went to Constantinople and then down to Egypt, Cairo – we climbed the Pyramids. I really got an education out of that summer, I tell you!”
- 1908–10 S. Chase attended Harvard, contributed to the *Harvard Lampoon*, and graduated cum laude (*The Redding Times*, Apr. 26, 1956). John Reed, the radical American journalist buried in the Kremlin wall, and columnist Walter Lippman were in his class at Harvard (*Hartford Courant*, Nov. 17, 1985, obit). No attribution to Stuart Chase was noted in the *Harvard Lampoon* for those years.
- 1910 S. Chase published “Credos” in his diary.
- 1910–17 S. Chase was employed by his father’s firm as a public accountant. “S. Chase wanted to be an architect but instead practiced public accounting... He disliked it but was good at it” (*Current Biography 1940*).
- 1911 Harvey S. Chase was appointed by President Taft as one of the six commissioners of the President’s Commission on Economy and Efficiency of the National Government (*Nat. Enc. of Amer. Bio.*). S. Chase joined his father in Washington on the project.
- 1913 S. Chase joined the Boston Fabian Club (*NY Times*, obit, 11/17/85). “Fabian Societies, founded in 1883, were a group of British socialists who advocated a non-revolution to attain a more socialistic society, unlike Marxists. Famous Fabians were George Bernard Shaw and the Webbs (Sidney and Beatrice)” (*Encyclopedia Americana*, Vol. 10, 1996, p. 823) (Lanier, 1970).
- 1914 S. Chase published “On the Threshold” in *Forum*, Vol. LI, pp. 710–717 (Lanier, 1970).
- 1914 (July 5) S. Chase married Margaret Hatfield (*WWW in Am*).
- 1914 (Dec. 5) S. Chase published a poem “Bread Line” in *Survey*, 33:239–240 (*RGPL*).
- 1916 S. Chase became a CPA in Massachusetts (*Nat. Enc. of Amer. Bio.*).
- 1916 S. Chase became a partner in his father’s firm (*The Redding Times*, Apr. 26, 1956).

- 1916 S. Chase and Margaret Hatfield Chase "... spent their honeymoon representing themselves as an out-of-work couple and became acquainted first hand with the unemployment problem. They published their experiences on job-finding, factory conditions, etc., in a book *A Honeymoon Experiment*" (1916) (*Current Biography* 1940).
- 1916 (Apr. 15) S. Chase published "Budget Building" in *Good Housekeeping*, 62:508–515 (RGPL).
- 1916 (May 16) S. Chase's portrait, as well as his wife's, was in *Bookman*, 43:249 (RGPL).
- 1917 S. Chase had comments in "Class of 1910 Third Report." "Since graduating from college, I have been largely engaged in mastering the profession of expert accounting. This work has taken me into many types of business, and over a considerable area of geographical territory," pp. (74–75).
- 1917 S. Chase spent 6 months working at Jane Addams' settlement house in Chicago ("The Stuart Chase Story" *Redding Pilot*, 10/28/82). The Hull House was the best known settlement house in America. "It offered a comprehensive program of civic, cultural, recreational, and educational activities and attracted admiring visitors from all over the world" (*Collier's Encyclopedia*) (Lanier, 1970).
- 1917 (May) S. Chase published "Budget for Three" in *Good Housekeeping*, 64:124 (RGPL).
- 1917 (April) S. Chase "joined a pacifist group, traveled with it to Washington, and, as a sign of protest, stood all day on the steps of the Capitol feeling ridiculous and impotent" (Lanier, 1970).
- 1917–1919 "During all of this time the office of the FTC in the Conway Building, under his instructions and with his active consent, became the headquarters of all the active members of the Fabian Club, including such men as (Irwin St. John) Tucker and (Victor) Berger and other socialistic members of the FTC" (Senator Watson, Oct. 20, 1919).
- 1917–21 In 1917, he joined the FTC and was sent to Chicago to take charge of the investigation of Armour & Co., which was part of the general meat investigation. A year later (1918) he was transferred to the Food Administration and placed in local charge of the Control of Packer's Profits. ... After the War

- (1919?) he rejoined the FTC, wrote the volume on Profits for the Meat Investigation, and then took charge of the accounting features of the Milk Investigation (*Wilson Bull. For Librarians*). His critical report, he said later “led to his being dismissed” (*NY Times*, obit, 11/17/85).
- 1917 (Aug. 4) S. Chase published “War Budget for the Household,” in *The Independent*, 91:169–170 (RGPL).
- 1918 (Jan.) S. Chase “was also instrumental in organizing a meeting at the Chicago Theater, at which Lincoln Steffens spoke. That anarchist had just returned from Russia and his address was delivered for the purpose of aiding in the recognition by our Government of Lenin and Trotski” (Senator Watson, Oct. 20, 1919).
- 1918 (Nov. 4) S. Chase wrote FTC Chairman, Francis Walker, that Herbert Hoover’s proposal for treating the excess-profits tax as a means for regulating companies was in error (Bradley & Merino, 1994, p. 195).
- 1919 (July 5) S. Chase “wrote an article for the *New Majority*, an extreme radical paper, in which he excoriated this Government for having failed to recognize the Russian Government” (Senator Watson, Oct. 2, 1919).
- 1919 (Oct. 20) “Senator James E. Watson, a right wing Republican from Indiana and a frequent spokesman in Congress for the meat packers, publicly charged that Stuart Chase was an extreme socialist devoted to the overthrow of capitalism and the government” (Lanier, 1970).
- 1920 S. Chase was quoted by Norman Silber on Sep. 29, 1977, p. 10: “When I was working on *The Profits of the Packers* for the Federal Trade Commission, I noticed that while they had a lot of publicity about how miserable their profits were, I saw that their profit on their sales – percentage of profit on sales – seemed low, but if you transferred that, as a good accountant should, to the *profit on net worth*, it was very substantial, right through the war. And when I found that out, I telephoned Mr. Hoover in Washington and said that I wanted to see him. He said “Well, come on down,” so I went down, and I showed him these figures, and he went over them, and he said “Well, Chase, the boys in France are getting their meat, aren’t they?” I said “Yes, they’re getting meat all right.” “Why bother about it?”

- I'll never forget that phrase, "Why bother about it." So then I went back to Chicago very much disillusioned."
- 1920 (June) S. Chase published "What is a Reasonable Profit?" in the *Journal of Accountancy*, pp. 416–434 (*Accts. Index*).
- 1920 S. Chase was the unsigned author of Part V, "Profits of the Packers" in the food investigation conducted by the FTC (Washington: USGPO).
- 1920 (Dec. 4 and Dec. 31) S. Chase was dismissed from the FTC for "lack of funds" (O'Dell, 1921).
- 1920s (Early) S. Chase "had been introduced...to the work of Frederick Taylor by his (Chase's) friend and associate in the Labor Bureau, Otto Beyer. Along with Beyer he joined a Taylor Society in New York City and incorporated the principles of efficient management into his vision of a functional society" (Lanier, 1970).
- 1920s S. Chase "was an early member of the League for Industrial Democracy, an organization which grew out of the Intercollegiate Socialist Society and existed to educate the public to the advantages of socialism" (Lanier, 1970, p. 420).
- 1920 (Dec.) S. Chase wrote a letter of protest over his treatment by the FTC to its chairman, Huston Thompson, as reported by George T. O'Dell in *The Nation* on Jan. 12, 1921, p. 37.
- 1921 S. Chase had comments in Harvard's "Class of 1910 – Fourth Report." "In respect to my war record, I should like to say that I was bitterly opposed to the entry of the United States into the war, and would have been a conscientious objector had I not been exempted because of my family. I think the treaty and its disastrous effect upon Europe has more than justified the philosophical stand I took in 1917" p. 64.
- 1921 (Jan. 12) G. T. O'Dell published "The Federal Trade Commission Yields to Pressure," in *The Nation*, pp. 36–37. O'Dell wrote of the four men (S. Chase, A.S. Kravitz, S.W. Tator, and Earl S. Holmes) "The persecution that these men were subjected to during the past year it is only necessary to indicate that the espionage of Mr. A. Mitchell Palmer's band of 'Red Raiders' went so far as to examine every bit of trash which was taken from the homes of these four men."
- 1921 S. Chase "joined the Technical Alliance in New York City, an organization of progressive engineers, working on a program

- of industrial coordination, under the guidance of Thorstein Veblen” (*Nat. Enc. of Amer. Bio.*).
- 1921 “At this time he became keenly interested in the problem of waste from the wider engineering point of view” (*Wilson Bulletin for Librarians*, Jan. 1932).
- 1921 or S. Chase “became associated with Labor Bureau, Inc. having
1922– charge of accounting and auditing” (*Nat. Enc. of Amer. Bio.*)
1929 (1921 date) and *WWW in AM* for 1922 date.
- 1921 or S. Chase “kept books for the Scott Company, the nation’s
1922– leading firm in the buying and selling of stamps, which
1939(?) happened to be owned by his father-in-law, Charles Hatfield”
(Lanier, 1970).
- 1921 “He visits New York only once a week to attend to his duties
at the Labor Bureau, which he performs without fee” (*Wilson
Bulletin...*).
- 1921 (Feb. 23) S. Chase published “Challenge of Waste to Existing
Industrial Creed” in *Nation*, Vol. 112, pp. 284–287 (*RGPL*).
- 1921 (July 20) S. Chase published “Waste and Labor” in *Nation*,
113:67–69 (*RGPL*).
- 1922 S. Chase published *The Challenge of Waste*, a 32 page
pamphlet for the League for Industrial Democracy in New
York. A 28-page pamphlet was published in 1925 (*Nat. Un.
Cat.*).
- 1922 S. Chase published “The Technician and the Future” in
World Tomorrow, Vol. V, pp. 366–368 (Lanier, 1970).
- 1922 (May) S. Chase published “The Huge Wastes in Coal” in
Labor Age, Vol. XI, pp. 8–10 (Lanier, 1970).
- 1922 (July 19) S. Chase published “Are you Alive?” in *Nation*,
115:68–70 (*RGPL*).
- 1923 S. Chase “became a charter member of a small, loosely
organized group, the Regional Planning Association of
America” (Lanier, 1970).
- 1923 (Feb. 28) S. Chase published “What Shall We Do to be
Saved?” in *New Republic*, 34:12–14 (*RGPL*).
- 1923 (Mar. 7) S. Chase published “Words” in *Nation*, 116:269
(*RGPL*).
- 1923 (June 20) S. Chase published “Miners Present a Plan” in *New
Republic*, 35:93–95 (*RGPL*).
- 1923 (June 27) S. Chase published “Junk” in *Nation*, 116:747–748
(*RGPL*).

- 1923 (Oct. 10) S. Chase published “Etiquette of Big Business” in *Nation*, 117:383 (RGPL).
- 1924 S. Chase published *Special Accounting Examinations and Reports* with an introduction by J. Lee Nicholson in Scranton, P.A. for International Textbook Company and also as volume 377 in *International Library of Technology (Accts. Index)*.
- 1924 S. Chase published *Financial Calculations*, with an introduction by Edward P. Moxey in Scranton, PA for International Textbook Company, p. 56 (*Accts. Index*).
- 1924 S. Chase wrote *Coaching for CPA Examination*, 34 pages for the International Textbook Company of Scranton, PA (*Accts. Index*).
- 1924 S. Chase “won Life’s contest prize for his recipe for bigger and better wars; and a little later the Boni and Liverright prize of \$500 for the best review of Gillette’s *The People’s Corporation*” (*Current Biography* 1940).
- 1924 S. Chase published “Portrait of a Radical” in *Century Magazine*, Vol. CVIII, pp. 295–304 (Lanier, 1970).
- 1924 (Mar. 26) S. Chase published “Pants vs. Plus Fours at Palm Beach” in *Nation*, 118:344–345 (RGPL).
- 1925 S. Chase had comments in Harvard’s “Class of 1910 – 5th Report”, pp. 21–22.
- 1925 S. Chase was reviewed in an anonymous editorial, “The Wastefulness of Advertising” in *New Republic*, Vol. XLIV, pp. 139–140 (Lanier, 1970).
- 1925 S. Chase published “Does the World Need Employers?” in *World Tomorrow*, Vol. VIII, pp. 231–232 (Lanier, 1970).
- 1925 S. Chase published *The Tragedy of Waste*, MacMillan Co. in New York. It “attracted worldwide attention” (*Boston Globe*, Nov. 18, 1985 obit).
- 1925 S. Chase was quoted about *The Tragedy of Waste*. “... The Russians translated it ...” (Normal Silber, Sept. 29, 1977, p. 16).
- 1925 (May 1) S. Chase published “Coals to Newcastle” in *Survey*, 54:143–146 (RGPL).
- 1925 (Aug. 5–Sept. 2) S. Chase published “Tragedy of Waste” in *New Republic*, 43:282–286, 312–316, 342–345; 44:11–16, 37–40 (RGPL).
- 1925 (Dec. 2) S. Chase published “Upward and Onward” in *New Republic*, 45:35–36 (RGPL).

- 1925 (Dec. 23) published "Soups, Soap and Shoes" in *Nation*, 121:728–729 (RGPL).
- 1925 (Dec. 30) and 1926 (Jan. 6) (with F. J. Schlink) S. Chase published "Few Billions for Consumers" in *New Republic*, 45:153–155; 180–182 (RGPL).
- 1926 S. Chase published *Are Radicals Crazy? An Analysis of Their Main Tenets in Light of Modern Science*, a 12-page pamphlet for the League of Industrial Democracy, New York (*Nat. Un. Cat.*).
- 1926 (Jan. 27) S. Chase published "Interesting Books of 1925" in *Nation*, 122:93 (RGPL).
- 1926 (May 5) S. Chase published "Success Dope" in *Nation*, 122:501–502 (RGPL).
- 1926 (May 15) S. Chase published "Channels of Waste" in *Survey*, 56:251–254 (RGPL).
- 1926 (July 21) S. Chase published "Henry Ford's Utopia" in *Nation*, 123:53–55 (RGPL).
- 1926 (Sept. 1) S. Chase published "My Great-Great Grandfather and I" in *Nation*, 123:190–192 (RGPL).
- 1926 (Sept.) S. Chase published "Dogma of Business First" in *Harper's*, 153:481–489 (RGPL).
- 1926 (Sept. 29) S. Chase published "One Dead Level" in *New Republic*, 48:137–139 (RGPL).
- 1926 (Dec.) S. Chase published "God and Mammon" in *Nation*, 123:563–564 (RGPL).
- 1926 (Dec. 1) S. Chase published "Wasting Women" in *Survey*, 57:268–270 (RGPL).
- 1926 (Dec. 8) S. Chase published "Gasless America" in *Nation*, 123:586–587 (RGPL).
- 1927 S. Chase published "Violence in Labor Conflicts" in *World Tomorrow*, Vol. X, pp. 108–111 (Lanier, 1970).
- 1927 S. Chase published "Salesmanship and Consumption" in *Proceedings of the Academy of Political Science*, Vol. XII, pp. 694–697 (Lanier, 1970).
- 1927 S. Chase went to Russia as a consulting economist for an unofficial American Trade Union delegation (*Nat. Enc. of Am. Bio.*). It was then that he met with Joseph Stalin. S. Chase wrote "Perhaps my most interesting adventure of all was interviewing Joseph Stalin for several hours in Moscow, in company with an American trade union delegation. He

- spoke a little English, and laid his philosophy on the line in words I have never forgotten – and never agreed with” (*Redding Pilot*, 10-28-82).
- 1927 S. Chase “was co-founder with Frederick J. Schlink and first president of the Consumer’s Research, Inc., an organization designed to give its members information from approved research bodies and testing laboratories covering the merits of many articles which the consumer purchases” (*Nat. Enc. Am. Bio.*).
- 1927 S. Chase co-authored with F. J. Schlink *Your Money’s Worth: A Study in the Waste of the Consumer’s Dollar* in New York City by MacMillan (*Nat. Un. Cat.*). “A book of facts for the consumer about buying and selling, it discussed the real value of things bought compared with their cost” (*Current Biography 1940*).
- 1927 S. Chase wrote “The Practical Man and His World” in the *New Republic*, Vol. LXIX, pp. 183–186.
- 1927 (Feb. 2–Mar. 2) S. Chase (with F. J. Schlink) published “Consumers in Wonderland” in *New Republic*, 49:293–296, 320–323, 345–351; 50:12–15, 38–41 (*RGPL*).
- 1927 (Feb. 6) S. Chase published “Averting Calamity” in *Nation*, 124:168 (*RGPL*).
- 1927 (April) S. Chase had a portrait in *The Technology Review*, MIT’s Alumni Magazine. The caption stated that “he lectured at the Old South Forum in Boston on ‘Fashion and the High Cost of Living.’”
- 1927 (May) S. Chase published “Short-circuiting War” in *Forum*, 77:722–729 (*RGPL*).
- 1927 (May 25) S. Chase published “Park Avenue” in *New Republic*, 51:9–11 (*RGPL*).
- 1927 (June 1) S. Chase published “Ask Somebody These” in *Nation*, 124:609 (*RGPL*).
- 1927 S. Chase, James G. McDonald, and Rev. Edmund A. Walsh discussed “Soviet Russia after Ten Years.” There was a stenographic report of the 99th New York luncheon discussion, Nov. 19, 1927 of the Foreign Policy Association (*Nat. Un. Cat.*).
- 1928 S. Chase published “New Outposts of Business and Industry” in Kirby Page’s, editor, *Recent Gains in American Civilization*, pp. 27–47 (*Nat. Un. Cat.*).

- 1928 S. Chase edited *Soviet Russia in the Second Decade: A Joint Survey by the Technical Staff of the First American Trade Union Delegation* for the John Day Company in New York. This was also edited by Robert Dunn and Rexford Guy Tugwell (*Nat. Un. Cat.*). S. Chase also apparently wrote "Industry and the Gosplan" pp. 14–54 (*Nat. Un. Cat.*).
- 1928 S. Chase was included in Charles A. Beard's (Editor) *Whither Mankind: A Panorama of Modern Civilization* for "XIV – Play" for Longmans, Green and Co., pp. 332–353.
- 1928 S. Chase published "New Outposts of Business and Industry" in *World Tomorrow*, Vol. XI, pp. 107–111 (Lanier, 1970).
- 1928 S. Chase published, anonymously, "In Demand" in *Bookman*, Vol. LXVII, pp. 249–257 (Lanier, 1970).
- 1928 S. Chase discussed "Employee Representation Plans and Labor Organizations" in the *Proceedings of the Academy of Political Science XIII*, pp. 145–147 (Lanier, 1970).
- 1928 S. Chase published "Are You Shoe Conscious?" in *Plain Talk*, Vol. II, pp. 591–594 (Lanier, 1970).
- 1928 (Jan.) S. Chase published "Are We Debauched by Salesmanship?" in *Forum*, 79:22–34 (RGPL).
- 1928 (Jan. 4) S. Chase published "Russia's War Industries Board" in *New Republic*, 53:184–186 (RGPL).
- 1928 (Apr. 18) S. Chase published "Florida Interlude" in *Nation*, 126:429–430 (RGPL).
- 1928 (Apr. 18) S. Chase published "Inquiry into Radio" in *Outlook*, 148:616–619 (RGPL).
- 1928 (May) S. Chase published "Are You Alive" in abstracted format in *Playground*, 22:68–69 (RGPL).
- 1928 (May) S. Chase published "Collectivist Industry in Russia" in *Asia*, 28:368–373 (RGPL).
- 1928 (May 16) S. Chase published "Very Private Utopia" in *Nation*, 126:559–562 (RGPL).
- 1928 (June) (with E. A. Copeland) S. Chase published "The Nurse and the Quack" in *American Journal of Nursing*, Vol. XXVIII, pp. 3–8 (Lanier, 1970).
- 1928 (Aug. 8) S. Chase published "Blindfolded You Know the Difference" in *New Republic*, 55:296–298 (RGPL).
- 1928 (Aug. 22) S. Chase published "On Loud Speakers" in *Outlook*, 149:653–655 (RGPL).

- 1928 (Nov. 1) S. Chase published "Putting Halitosis on the Map" in *Survey*, 61:127–129 (RGPL).
- 1929 S. Chase published "Consumers in the Modern World" in *Society Today* in New York by D. Van Nostrand Co., Vol. 5 of *Man and His World* (Nat. Un. Cat.)
- 1929 S. Chase was divorced from Margaret Hatfield Chase (*Danbury News-Times* 11/17/85). S. Chase described this as a "companionable divorce" (*Redding Pilot*, Nov. 21, 1985 obit).
- 1929 S. Chase published *Men and Machines* for the MacMillan Company of New York (Nat. Un. Cat.)
- 1929 S. Chase was listed as a co-author of *Society Today* in New York by D. Van Nostrand Co. (Nat. Un. Cat.)
- 1929 S. Chase published *Prosperity: Fact or Myth* in New York by C. Boni (Nat. Un. Cat.)
- 1929 (Jan.) S. Chase published "Impressions of Business Literature" in *Bookman*, 68:512–518 (RGPL).
- 1929 (March) S. Chase published "Slaves of the Machine?" in *Harper's*, 158:480–489 (RGPL).
- 1929 (Mar. 6–Apr. 3) S. Chase published "Man and Machines" in *New Republic*, 58:61–65, 92–95, 118–123, 168–172, 191–196 (RGPL).
- 1929 (April) S. Chase published "Our Lock-step Culture" in *Forum*, 81:238–242 (RGPL).
- 1929 (May 8) S. Chase published "Two-hour War" in *New Republic*, 58:325–327 (RGPL).
- 1929 (June 15) S. Chase published "Helpful Uncle Sam" in *Sat. Rev. of Lit.*, 5:1111 (RGPL).
- 1929 (June 26) S. Chase published "Confessions of a Sun-Worshipper" in *Nation*, 128:762–765 (RGPL).
- 1929 (July) S. Chase published "Good and Evil of the New Industrialism" in *Current History*, 30:577–584 (RGPL).
- 1929 (Aug.) S. Chase published "Laid off at Forty" in *Harper's*, 159:340–347 (RGPL).
- 1929 (Sept.) "Laid off at Forty" was condensed from *Harper's, Reader's Digest*, pp. 417–419.
- 1929–30 (Oct. 23, 30; Nov. 13, 27; Dec. 18, 25; Jan. 8) S. Chase published "Prosperity, Believe It or Not" in *Nation*, 129:460–462, 488–490, 545–546, 622–624, 774–776; 130:39–41.

- 1929 (Dec.) S. Chase published “Billion Wild Horses” in *Review of Reviews*, 80:85–86 (RGPL). This was a condensation of an article done for *The Technology Review*.
- 1929 (Dec.) S. Chase published “Future of the Great City” in *Harper’s*, 160:82–90 (RGPL).
- 1929 (Dec. 8) S. Chase published “Twenty Years After” in *Herald Tribune Books*, Vol. VI, pp. 1, 6 (Lanier, 1970).
- 1930 S. Chase married Marian Tyler, a musician, in Taxco, Mexico on February 21 (*Nat. Enc. Am. Bio.*). They moved to Redding, CT in 1930. They met late in the 1920s at *The Nation* magazine. “Stuart was a contributing editor and I was working in the business office” (“Marian and Stuart Chase’s Active Pace,” *Danbury News-Times*, Sept. 30, 1982). “The Chase home in Connecticut is a rebuilt barn furnished with Mexican rugs and handicraft, and has a workroom where Mr. Chase tries his hand at furniture-making” (*Current Biography 1940*). “Their house has been written up by one of the house and guide magazines. The paneling throughout the first floor is a weathered wood with the patina that artists drool over” (*Redding Times*, Apr. 26, 1956) (*Nat. Un. Cat.*).
- 1930 S. Chase published “One Billion Wild Horses: The Challenge of the Machine” abridged in New York for *Men and Machines* for the League for Industrial Democracy, p. 24 (*Nat. Un. Cat.*).
- 1930 S. Chase published “Twenty Years After” in *Journal of Adult Education*, Vol. II, pp. 365–368 (Lanier, 1970).
- 1930s S. Chase “found audiences more receptive to his ideas. His books attracted enough interest and readers to provide support for his family and relieve him of the necessity of keeping up an accounting practice. He began devoting three months of each year to lecture tours. Most of his appearances were scheduled on college campuses or at forums organized by voluntary associations in urban areas” (Lanier, 1970).
- 1930s S. Chase published in New York “Why Men Work” (p. 8) and “Profits and Losses” (p. 8) for the Consumer’s Cooperation Society (*Nat. Un. Cat.*).
- 1930 (Feb.) S. Chase had an untitled speech published in *Taylor Society Bulletin*, Vol. XV, pp. 9–11 (Lanier, 1970).

- 1930 (April, May) S. Chase published “Mad Hatter’s Dirty Teacup” in *Harper’s*, 160:580–586 and *Review of Reviews*, 81:69–70 (RGPL).
- 1930 (May) S. Chase published “Let’s Work in the Country!” in *Forum*, 83:302–307.
- 1930 (July) S. Chase published “Nemesis of American Business” in *Harper’s*, 161:129–138 (RGPL).
- 1930 (Aug.) S. Chase published “Luxury of Integrity” in *Harper’s*, 161:336–344 (RGPL).
- 1930 (Aug. 6) S. Chase published “Breaking the Business Jam” in *Advertising and Selling*, Vol. XV, pp. 17–19, 50 (Lanier, 1970).
- 1930 (Nov.) S. Chase published “Enemy of Prosperity” in *Harper’s*, 161:641–650 (RGPL).
- 1930 (Nov.) S. Chase published “Prometheus Enchained: Today the Greater Need in All the Bewildered World Is for Philosopher Engineers” in *The Technology Review*, MIT’s alumni magazine pp. 67–69, 96.
- 1930 (Nov.) S. Chase is noted in “The Tabular View” section of *The Technology Review*, p. 60.
- 1930 (Nov. 22) (portrait) S. Chase published “End of an Epoch” in *Sat. Rev. of Lit.*, 7:364–365 (RGPL).
- 1930 (Dec.) (portrait) S. Chase published “Machineless Men” in *Forum*, 84:379–384 (RGPL).
- 1931 S. Chase was noted in Ilia Iakolevich Marshak’s “The Project of Our Country.” This was translated by George S. Counts and Nucia P. Lodge for Houghton Mifflin. The excerpt was included in *Contemporary Social Issues* by Raymond L. Lee, James A. Burkhart, and Van B. Shaw (New York: Thomas Y. Crowell Company, 1960, pp. 613–619).
- 1931 S. Chase published “Out of the Depression – and after: A Prophecy” in New York for J. Day Co. (27 pages) (as The John Day Pamphlets No. 2) (*Nat. Un. Cat.*).
- 1931 S. Chase published “Waste and the Machine Age” in New York for League for Industrial Democracy (60 pages) and “Poor Old Competition” (36 pages) (*Nat. Un. Cat.*).
- 1931 S. Chase published the pamphlet, “Why Do We Work,” for *The Cooperative Crier*, no. 48, in New York for Consumer’s Cooperative Services, Inc. (Lanier, 1970).
- 1931 S. Chase published “Sun-Worship vs. Nudism” in *Nation* CXXXII (1931) p. 562 (Lanier, 1970).

- 1931 S. Chase was listed as Treasurer of The League for Industrial Democracy (*Waste and the Machine Age*, 1931, inside cover page.)
- 1931 S. Chase published “The Iron Bouncer” (pp. 13–15) in American Association for Adult Educator’s *Unemployment and Adult Education*, 1931 (*Nat. Un. Cat.*).
- 1931 S. Chase published an 8-page pamphlet in New York “Can America Be Prosperous” for Consumer’s Cooperative Services (*Nat. Un. Cat.*).
- 1931 S. Chase and Marian Tyler published *Mexico, A Study of Two Americas* in New York for MacMillan Company. This was illustrated by Diego Rivera. It “compared the civilization of the two Americas, one based on handicraft, the other on the machine, and deplored the Yankee invasion of Mexico to destroy its vigorous craft culture” (*Current Biography* 1940).
- 1931 S. Chase published *The Nemesis of American Business and Other Essays* in New York for MacMillan.
- 1931 (March) S. Chase attended “A Conference for Independent Political Action, held in Washington during March of 1931 and attended by some of the nation’s foremost liberals: John Dewey, Oswald Garrison Villard, Paul Douglas, George Norris, Sidney Hillman, Leo Wolman, Alfred Bingham, Robert LaFollette, Jr., Bronson Cutting” (Pells, *Radical Visions...* 1973, p. 50).
- 1931 (Mar. 4) S. Chase published “Our School Burns Down” in *New Republic*, 66:71–72 (*RGPL*).
- 1931 (Mar. 24) H.L. Mencken wrote in his diary (*The Diary of H.L. Mencken*, edited by Charles A. Fecher, 1989) that Sinclair Lewis was planning a new novel. “It will recount the history of three generations of an American family. The *Stammvater* will be Peter Cartwright, the Methodist Evangelist, the son will be Eugene Debs, and the grandson will be Stuart Chase ...” (p. 19). Richard Lingeman in *Sinclair Lewis: Rebel from Main Street* (2002) reported that novel as well (p. 371) but no trace of a finished work has been noted. (Thanks Marc Lamb.)
- 1931 (May) S. Chase published “Mexicans Know How to Play” in *Harper’s*, 162:672–679 (*RGPL*).
- 1931 (June) S. Chase published “Ten Year Plan for America” in *Harper’s*, 163:1–10 (*RGPL*).

- 1931 (June) S. Chase published “Harnessing the Wild Horses of Industry” in *Atlantic Monthly*, 147:776–787 (RGPL).
- 1931 (June 17–July 15) S. Chase published “Men Without Machines” in *New Republic*, 67:114–117, 143–146, 175–177, 202–205, 231–233 (RGPL).
- 1931 (Aug.) S. Chase published “Leisure in a Machine Age” in *Library Journal*, 56:629–632 (RGPL).
- 1931 (Oct.) S. Chase had his portrait in *Pictorial Review*, 33:2 (RGPL).
- 1931 (Oct. 14) S. Chase published “Mergers, Preferred” in *New Republic*, 68:238–239 (RGPL).
- 1931 (Nov. 18) S. Chase published “West and East” in *New Republic*, 69:9 (RGPL).
- 1931 (Nov. 18) S. Chase published “If I Were a Dictator” in *Nation*, 133:536–538 (RGPL).
- 1931 (Dec.) S. Chase published “Declaration of Independence” in *Harper’s*, 164:29–36 (RGPL).
- 1931 (Dec.) S. Chase published “The Heart of American Industry” in *Vanity Fair*, Vol. XXXVII, pp. 33–35, 80, 86 (Lanier, 1970).
- 1932 S. Chase published with Ida Klaus a pamphlet (2 pages) “Expenditures of Public Funds in the Administration of Civil Justice in New York City” in Baltimore by The John Hopkins Press (*Nat. Un. Cat.*).
- 1932 S. Chase published “The Social-economic Survey,” as a basis for an educational survey in Washington, DC for the U.S. Dept. of the Interior: Office of Education (*Nat. Un. Cat.*).
- 1932 S. Chase published a pamphlet, “The Campaign and Economic Planning” for the University of Chicago Press in Chicago (Lanier, 1970).
- 1932 S. Chase published “Should an Economic Planning System Be Established with United States – Pro” in *The Congressional Digest*, Vol. XI, p. 108 (Lanier, 1970).
- 1932 S. Chase published “Mr. Chase Replies” in *New Republic*, Vol. LXIX, pp. 348–349, (Lanier 1970).
- 1932 S. Chase is quoted in *The Exemplary Presidency*, by Philip Abbott.
- 1932 S. Chase published *A New Deal* in New York by MacMillan. It was (inaccurately in date) reported in the *Boston Globe*, Nov. 18, 1985 that “Mr. Chase published a book titled “A

- New Deal,” shortly after Roosevelt took office. Roosevelt met with Mr. Chase to discuss the book, leading many people to believe that the president borrowed the name for his economic policies from its title.”
- 1932 (Jan.) S. Chase had a biographical sketch and portrait appearing in *Wilson Bulletin for Librarians*, 6:336 (RGPL).
- 1932 (Jan. 24) S. Chase reviews Theodore Dreiser’s *Tragic America* in the *New York Herald Tribune Books*. S. Chase’s review was negative on Dreiser’s “facts” but positive on his goals. There was a classic exchange between Dreiser (Jan. 29, 1932) and a return by S. Chase (Feb. 12, 1932) (Thanks, Marc Lamb.)
- 1932 (Feb. 10) S. Chase published “What Do the Liberals Hope For?” in *New Republic*, 69:348–349 (RGPL).
- 1932 (March) S. Chase published “American Leisure” in *National Education Association, Journal of*, 21:99 (RGPL).
- 1932 (March) S. Chase published “Column Left” in *Scribner’s*, 91:139–142 (RGPL).
- 1932 (Mar. 1) (April) S. Chase published “You and I and the Big Idea” in *Survey*, 67:566–568 and *Congressional Digest*, 11:108 (RGPL).
- 1932 (June) S. Chase published “Preaching and Practice of Mr. Broadback” in *Atlantic Monthly*, 149:706–714, (RGPL).
- 1932 (June 25) S. Chase published “Industrialist or Negotiator?” in *Sat. Rev. of Lit.*, 8:801–802 (RGPL).
- 1932 (June 25) S. Chase reviewed Ida Tarbell’s *Life of Owen Young* in *The Saturday Review of Literature* (Dorfman). In this review S. Chase praised Veblen and his distinction between an industrialist and a businessman.
- 1932 (June 29–July 13, 27) S. Chase published “New Deal for America” in *New Republic*, 71:169–171, 199–201, 225–226, 282–285, (RGPL).
- 1932 (July) 1933 (May) S. Chase published “Case for Inflation” in *Harper’s*, 165:198–209 and *Reference Shelf* 8 No. 7:185–191 (RGPL).
- 1932 (July) S. Chase published “The Economy of Abundance” in *Common Sense*, Vol. I, pp. 16, 26 (Lanier, 1970).
- 1932 (July) S. Chase published “Maya City” in *Vanity Fair*, Vol. XXXVIII, pp. 22, 59.
- 1932 (Dec.) S. Chase published “Government Economy” in *Scribner’s*, 92:321–326 (RGPL).

- 1933 S. Chase was mentioned in *Control From the Top* by Francis Neilson.
- 1933 S. Chase published “Technocracy: An Interpretation” (32 pages) and “The Promise of Power” (33 pages) for The John Day Co. from New York (*Nat. Un. Cat.*).
- 1933 S. Chase published “The Luxury of Integrity” in J. M. Bachelor’s, editor, *Challenging Essays in Modern Thought* (*Nat. Un. Cat.*).
- 1933 (Jan. 18) S. Chase published “On the Paradox of Plenty” in *New Republic*, 73:258–260 (*RGPL*).
- 1933 (Jan. 25) S. Chase published “Ticker Tapeworms” in *New Republic*, 73:299–301 (*RGPL*).
- 1933 (Feb.) S. Chase published “World without Money” in *Scribner’s*, 93:74–79 (*RGPL*).
- 1933 (June) S. Chase published “200,000 Students and 4,000,000 Alumni” in *Fortune*, pp. 66–70, 96, 98, 101 (R.Vangermeersch).
- 1933 (July 26) S. Chase published “Eating without Working” in *Nation*, 137:93–94 (*RGPL*).
- 1933 (Sept.) S. Chase published “Autarchy, Is It the Economic Road of the Future?” in *Scribner’s*, 94:145–150 (*RGPL*).
- 1933 (Sept.) S. Chase published “Engineer’s Report As a Sidelight On Recovery” in *Common Sense*, Vol. II, pp. 14–15 (Lanier, 1970).
- 1933 (Nov.) S. Chase published “What Hope for the Jobless?” in *Current History*, 39:129–136 (*RGPL*).
- 1933 (Dec.) S. Chase published “Is there enough to go around?” in *Survey Graphic*, 22:595–599 (*RGPL*).
- 1933 (Dec.) S. Chase published “Consumer’s Tomorrow” in *Scribner’s*, 94:333–338 (*RGPL*).
- 1933 “... Chase had technical expertise viewed as ‘very dangerous’ by members of the Profession” (Previts & Merino, *A History of Accountancy in the United States*, 2nd ed., p. 240). In 1933, George O May stated in a letter: “that he wishes the accounting profession had the power to have Chase deported as a Bolshevik and calls him one of the ‘most dangerous’ men in the United States” (Previts & Merino, p. 448).
- 1933 “By the end of 1933, Chase was convinced the NRA (National Recovery Administration) was in fact leading to higher prices for people” (Lanier, 1970).

- 1934 Stuart Chase wrote in his Foreword to *The Theory of the Leisure Class*:
- xi. Thorstein Veblen was one of my idols as a young man. When a new book of his was published I secured it at once and read it many times.
- xi, xii. The gray lips (Veblen's) stirred. "Your book (*The Tragedy of Waste*)," he said, "is too simple, too logical. Man is not a logical animal, particularly in his economic activity. But you have gathered some interesting facts. You have documented the conception of economic waste more thoroughly than it has been done before."
- xiii. Other conceptions, other books, remained for a generation in obscurity. Whether their author valued them more than the *Leisure Class* it is impossible to tell. Certainly it hurt him that they were not appreciated. He died before the thesis of *The Engineers and the Price System*, written in 1919, was shouted around the world in headlines about Technocracy. He died before Messrs. Berle and Means, in their *Modern Corporation and Private Property*, restated with many concrete examples the thesis of *The Theory of Business Enterprise*, first published in 1904; and before Ferdinand Pecora, in his investigations of high finance, supported with unlimited case material the trend Veblen had indicated with such uncanny perspicacity many years earlier.
- 1934 S. Chase published "Will Fascism Come to America?" in *Modern Monthly*, Vol. VIII, pp. 453-457 (Lanier, 1970).
- 1934 S. Chase published "The Economy of Abundance" in *Listener*, Vol. XII, pp. 715-717, 749-750 (Lanier, 1970).
- 1934 S. Chase consulted with the Natural Resource Commission (*WWW*).
- 1934 S. Chase published "Free Competition" for Consumer's Cooperative Services in New York (*Nat. Un. Cat.*).
- 1934 S. Chase published "Move the Goods!" (32 pages) in New York for The John Day Company (*Nat. Un. Cat.*).
- 1934 S. Chase published *The Economy of Abundance* in New York for MacMillan (*Nat. Un. Cat.*).
- 1934 (March) S. Chase published "Prosperity in the Power Age" in *Scribner's*, 95:161-167 (*RGPL*).

- 1934 (March)(May) S. Chase published “The Age of Plenty” in *Harper’s*, 168:377–384 and *Nat. Ed. Assoc., Journal of*, 23:147 (RGPL).
- 1934 (Mar. 24) S. Chase had a portrait and a letter to S. Chase by H.P. Fairchild in *Sat. Rev. of Lit.*, (RGPL).
- 1934 (May 16) S. Chase published “Advertising: An Autopsy” in *Nation*, 138:567–568 (RGPL).
- 1934 (July) S. Chase published “If Roosevelt Fails” in *Scribner’s*, 96:7–12 (RGPL).
- 1934 (July 25) S. Chase published “Age of Distribution” in *Nation*, 139:93–95 (RGPL).
- 1935 S. Chase published “When American Goes to War” in *Modern Monthly*, Vol. IX, pp. 202–203 (Lanier, 1970).
- 1935 S. Chase published “Budgets and Backgrounds” in *Consensus*, Vol. XIX, pp. 26–44, (Lanier, 1970).
- 1935 S. Chase published “The Story of Toad Lane” (15 pages) in New York for Consumers’ Cooperative Services (*Nat. Un. Cat.*).
- 1935 S. Chase published *Government in Business* in New York by MacMillan (*Nat. Un. Cat.*).
- 1935 S. Chase consulted with the Resettlement Administration.
- 1935 S. Chase is mentioned in Mauritz A. Hallgren’s *The Gay Reformer* (New York: Alfred A. Knopf).
- 1935 Stuart Chase writes the foreword to *The Chart of Plenty: A Study of America’s Product Capacity Based on the Findings of the National Survey of Potential Product Capacity*. It was published in New York by The Viking Press. He stated: “The various engineers and economist referred to above have not made their estimates within the commercial frame. They have been careful to cleave to the physical.”...“At a conservative estimate, this American industry could supply every family with a healthy and decent budget (from \$2,000 to \$2,500) and give in addition almost as much of comforts.”
- 1935 (Jan.) S. Chase published “Do We Want a Thirty Hour Week?” in *Common Sense*, Vol. IV, pp. 15–17 (Lanier, 1970).
- 1935 (Jan. 9) S. Chase published “U.S. Corporations, Inc.” in *New Republic*, 81:237–238 (RGPL).

- 1935 (Jan. 16) S. Chase published "Tugwell Explains the New Deal" in *Nation*, 140:78–79 (RGPL).
- 1935 (Feb.) S. Chase published "Our Capacity to Produce" in *Harper's*, 170:343–352, (RGPL).
- 1935 (Feb.) S. Chase had a portrait in *Nat. Ed. Assoc., J.*, 24:59, (RGPL).
- 1935 (Feb. 9) S. Chase had his portrait in and was listed as consumer conscious in *Scholastic*, 26:23.
- 1935 (Feb. 9) S. Chase published "Story of Toad Lane" in *Scholastic*, 26:15+ (RGPL).
- 1935 (March) S. Chase published "Government in Business" in *Current History*, 41:641–659 (RGPL).
- 1935 (Mar. 11) S. Chase published "Economics Interdependence" in *Vital Speeches*, 1:383–384 (RGPL).
- 1935 (Mar. 27) S. Chase published "Old Man River" in *New Republic*, 82:175–178 (RGPL).
- 1935 (April) S. Chase published "Trend Toward Collectivism" in *Fortnightly*, 143:417–431 (RGPL).
- 1935 (April) S. Chase published "What is Public Business?" in *Current History*, 42:9–18 (RGPL).
- 1935 (April) S. Chase published "Economy of Abundance" in *Nat. Ed. Assoc. J.*, 24:107–110 (RGPL).
- 1935 (May) S. Chase is mentioned in the "Followers of Literary Engineers" in *The Technology Review*, p. 314.
- 1935 (May) S. Chase published "How Can the State do Business" in *Current History*, 42:126–134 (RGPL).
- 1935 (May) S. Chase published "Is Government Spending the Way to Recovery?" (portrait, p. 72) in *Rotarian*, 46:18+ (RGPL).
- 1935 (Aug.) S. Chase published "Parade of the Gravediggers" in *Harper's*, 171:316–328 (RGPL).
- 1935 (Sept. 21) S. Chase had his portrait in *Sat. Rev. Lit.*, 12:1 (RGPL). There also was a review of *Government and Business* by A.A. Berle, Jr.
- 1935 (Nov.) S. Chase published "Saving and Spending" in *Survey Graphic*, 24:533–536+ (RGPL).
- 1935 (Nov. 27) S. Chase published "Ode to the Liberty League" in *Nation*, 141:613–615 (RGPL).
- 1935 (Dec. 18) S. Chase published "Recovery" in *New Republic*, 85:162–166 (RGPL).

- 1935 S. Chase had comments in the 25th Anniversary Report of the Harvard Class of 1910. He wrote "...Accounting frequently bored and irked me, but the discipline was helpful later on. It kept me, as a writer on economics, from getting too far off the earth. This will be news to some of my orthodox friends, but had I never toiled over balance sheets and cost systems, I would probably be twice or thrice as wild a social theorist as they now consider me" p. 125.
- 1936 S. Chase published *Rich Land, Poor Land: A Study of Waste in the Natural Resources of America* in New York for McGraw-Hill (*Nat. Un. Cat.*).
- 1936 S. Chase established the first Redding tennis tournament (*Danbury News-Times*, Aug. 29, 1976).
- 1936 S. Chase had an untitled speech published in *Monthly Labor Review*, Vol. XLIII, pp. 1166–1167 (Lanier, 1970).
- 1936 (Jan.) S. Chase published "Where's the Money Coming from" in *Common Sense*, Vol. V, pp. 12–15 (Lanier, 1970).
- 1936 (Jan. 23) Morris Cooke, Chairman Executive Committee of World Power Conference, invited S. Chase to write a paper on the TVA (F.D.R. Library).
- 1936 (Feb.) S. Chase published "Greeks Had a Meaning for It" in *Independent Woman*, 15:37 (RGPL).
- 1936 (March) S. Chase published "Government in Business" in *Nat. Educ. Assoc., J.*, 25:71–75 (RGPL).
- 1936 (June 3–24) S. Chase published "TVA: The New Deal's Best Asset" in *Nation*, 142:702–705, 738–741, 775–777, 804–805 (RGPL).
- 1936 (Aug.) (Sept. 26) S. Chase published "When the Crop Lands Go" in *Harper's*, 173:225–233 and *Scholastic*, 29:12–13 (RGPL).
- 1936 (Sept.) S. Chase published "Behind the Drought" in *Harper's*, 173:368–377 (RGPL).
- 1936 (Sept. 21) S. Chase had a portrait in *Time*, 28:75 (RGPL).
- 1936 (Nov.) S. Chase published "Address at Third World Power Conference" (summary) in *Monthly Labor Review*, 43:1166 (RGPL). His address, "Planning for Natural Resources in America," Section IV, Paper No. 10 was found in Container #10 of the Stuart Chase Papers at the Lib. of Cong.
- 1936 (Nov.) S. Chase was referenced in "No New Patriot" in *Scribner's*, 100:82+ (RGPL).

- 1936 (Nov. 21) S. Chase published “Elegy for the Elite” in *Nation*, 143:598–600, (RGPL).
- 1937 S. Chase was noted in *Veblen* by J.A. Hobson in The Modern Sociologists series of John Wiley in New York. Stuart Chase was felt to be Veblen’s great admirer. p. 21.
- 1937 S. Chase was referenced in *F.D.R. into the Storm: 1937–1940* by Kenneth S. Davis.
- 1937 (Feb.) F.D.R., S. Chase, and Felix Frankfurter combined on F.D.R.’s “One Third of the Nation ...” speech, as noted in Max Freedman’s *Roosevelt and Frankfurter: Their Correspondence 1928–1945*.
- 1937 (Feb.) S. Chase was interviewed by D. Marshall in “War of the Machines: Partisans of the Modern World” in *Catholic World*, 144:562–565 (RGPL).
- 1937 (May) S. Chase published “Slaves of the Flood” in *American Magazine*, 123:16–17+ (RGPL).
- 1937 (May–June) S. Chase published “Slaves of the Flood” in *Conservation*, Vol. III, pp. 3–5 (Lanier, 1970).
- 1937 (June 8) (June 10) (June 11)(June 16) Harvey Stuart Chase met with F.D.R. and gave F.D.R. a copy of (probably) a draft of S. Chase’s *Tyranny of Words*. F.D.R. responded (Vangermeersch, *An Analysis of the Life and Writings of Harvey Stuart Chase*, 2002)(FDR Library). On June 10, 1937, Harvey Stuart Chase wrote this to his son: “Is Stuart your son?” said F.D.R. “Well, I congratulate you. He is a grand boy. He is teaching the American people true economics, better than all the others put together” (Lib. of Cong., Container No. 1, Stuart Chase Papers).
- 1937 (June 26) S. Chase published “Rich Land, Poor Land” in *Nat. Educ. Assoc., J.*, 26:173–175 (RGPL).
- 1937 (Sept.) S. Chase published “Disaster Rides the Plains” in *American Magazine*, 124:46–47+ (RGPL).
- 1937 (Nov.) S. Chase published “Tyranny of Words” in *Harper’s*, 175:561–569 (RGPL).
- 1937 (Dec.) S. Chase published “Word Trouble Among the Economists” in *Harper’s*, 176:48–58.
- 1937 (Dec.) 1938 (Feb.) S. Chase published “Working with Nature” in *Survey Graphic*, 26:624–628 and in *Nat. Educ. Assoc., J.*, 27:38–40 (RGPL).

- 1937 S. Chase published “Reorganization of Federal Judiciary,” a letter to the editor of the *NY Times*, 4 pages, Washington, DC USGPO (*Nat. Un. Cat.*). On Feb. 24, 1937, Senator Robert LaFollette, Jr. entered this “unpublished” letter into the *Congressional Record*. Chase’s words were felt to have been utilized by President Franklin D. Roosevelt (Lib. of Cong., Container 5, Stuart Chase Papers).
- 1938 S. Chase was president of the Labor Bureau (*Nat. Enc. of Am. Bio.*).
- 1938 S. Chase published *The Tyranny of Words* in New York for Harcourt, Brace and Company. (*Nat. Un. Cat.*) Sinclair Lewis called it “the most important book published in 1938” *Current Biography 1940*.
- 1938 S. Chase published “Working with Nature” in *Journal of National Education*, Vol. XXVII, pp. 39–40 (Lanier, 1970).
- 1938 Charles Glicksberg wrote “Stuart Chase: The Statistical Don Quixote” in *Sewanee Review* XLVI, pp. 7–21 (Lanier, 1970, p. 218).
- 1938 S. Chase was mentioned and referenced in Louis Adamic’s *My America: 1928–1938* (New York: Harper & Brothers).
- 1938 (Jan.) S. Chase published “Word-trouble among the Statesmen” in *Harper’s*, 176:149–157 (*RGPL*).
- 1938 (Jan. 22) S. Chase had a biographical note and portrait in *Sat. Rev. Lit.*, 17:21 (*RGPL*), also a review of *Tyranny of Words*.
- 1938 (Jan. 24) S. Chase had his portrait and a review of *The Tyranny of Words* in *Time*, 31:61 (*RGPL*).
- 1938 (Jan. 24) S. Chase’s book, *The Tyranny of Words*, was reviewed by Sinclair Lewis in *Newsweek*, 11:32, along with a portrait of S. Chase (*RGPL*).
- 1938 (Mar. 9) S. Chase was reviewed in “Tyranny of Semantics” in *Christian Century*, 35:296–297 (*RGPL*).
- 1938 (April) Harvey Stuart Chase jabbed at S. Chase in an article in *Bankers Magazine* entitled “The Confusion Regarding Money.” Harvey Stuart Chase quoted Stuart Chase but did not name him (Vangermeersch, 2002, 87–88).
- 1938 (May)(June) S. Chase published “Case Against Home Ownership” in *Survey Graphic*, 27:260–267 and *Reader’s Digest*, 32:82–85 (*RGPL*).

- 1938 (June) S. Chase published “‘Government’ vs. ‘Business’” in *Common Sense*, Vol. VII, pp. 8–12 (Lanier, 1970).
- 1938 (Sept.) S. Chase published “‘Confessions of a Sun-Worshiper’” (abridged) in *Reader’s Digest*, 33:81–83 (RGPL).
- 1938 (Nov.) and 1939 (Jan.) S. Chase published “‘Great Dam’” in *Atlantic Monthly*, 162:593–599 and *Reader’s Digest*, 34:85–88 (RGPL).
- 1939 S. Chase published *The New Western Front* in New York for Harcourt, Brace (*Nat. Un. Cat.*).
- 1939 S. Chase consulted for the U.S. Securities and Exchange Commission (*WWW*).
- 1939 S. Chase wrote a piece for Clifton Fadiman’s *I BELIEVE: The Personal Philosophies of Certain Eminent Men and Women of Our time* for Simon and Schuster in New York, pp. 45–61.
- 1939 S. Chase “‘assisted the Securities & Exchange Commission in preparing a report for TNEC (Temporary National Economic Committee) on the country’s financial and banking structure. ... The definitions and word usages which Chase recommended reflected a Keynesian point of view ...’”(Lanier, 1970).
- 1939 (Jan. 25) S. Chase published “‘How to Stop Dictators’” in *New Republic*, 97:331–333 (RGPL).
- 1939 (Jan. 26) F.D. Roosevelt and Eleanor Roosevelt wired Stuart Chase an invitation to join them for dinner on Feb. 2, 1939 (FDR Library).
- 1939 (Feb.)(March) S. Chase published “‘Population Going Down’” in *Atlantic Monthly*, 163:183–192 and in *Reader’s Digest*, 34:1–5 (RGPL).
- 1939 (Feb.) S. Chase published “‘What to Do with an Anti-Semite’” in *Common Sense*, Vol. VIII, pp. 18–19 (Lanier 1970).
- 1939 (Apr. 1) S. Chase published “‘Seven True Stories’” in *Nation*, 148:369–373 (RGPL).
- 1939 (Apr. 19) S. Chase published “‘Feeding the Alligator’” in *Christian Century*, 56:509 (RGPL).
- 1939 (June 19) S. Chase had a portrait and was mentioned in “‘Propaganda Glossary,’” *Time*, 33:65–66, 68 (RGPL).
- 1939 (June 30) S. Chase was asked to comment on a solicitation for the F.D.R. Library (F.D.R. Library).
- 1939 (Aug.) S. Chase published “‘Civilization in Our Keeping?’” in *Common Sense*, Vol. VIII, pp. 3–5 (Lanier, 1970).

- 1939 (Sept.) S. Chase published “Behind the Budget” in *Atlantic Monthly*, 64:312–326 (RGPL).
- 1939 (Nov.) S. Chase published “Common Sense of American Neutrality” in *Reader’s Digest*, 35:16–20 (RGPL).
- 1939 (Nov. 8) S. Chase published “Ideological Immunity: 1975” in *New Republic*, 101:80+ (RGPL).
- 1940s S. Chase “did a job for a big company down in Stamford, Pitney Bowes. I’m just raising this to show you that I’m not a bitter and violent enemy of big business” (Norman Silber, Sept. 29, 1977, p. 20).
- 1940 S. Chase had comments in the 30th Anniversary Report of the Harvard Class of 1910. He wrote: “Despite this New Dealish record, in a way I would like to see the Republicans elect a president in 1940. It ought to be very educational. Then we might all get together to solve our national problems, which are very grave” p. 41.
- 1940 S. Chase consulted with TVA (WWW.) The legendary head of TVA, David Lilienthal, was a neighbor of S. Chase in Redding in the 1950s (*The Redding Times*, Apr. 26, 1956).
- 1940 Richard Moore, America First’s Assistant National Director, included S. Chase as an early member of the governing board of America First (Berg, *Lindbergh*, 1998, pp. 410–411). Berg’s reference about Moore came from a personal story of Moore, *The Great Debate and Me: A Memoir for my Grandchildren* (undated).
- 1940 Stuart Chase was referenced in Joseph Dorfman’s *Thorstein Veblen and His America* on pages 459, 460, 509, and 517.
- 1940 S. Chase published “Four Assumptions About the War” in *Uncensored*, No. 65, Special Supplement, pp. 1–3 (Lanier, 1970).
- 1940 (Jan. 29) S. Chase published “Mr. Dies is a Communist, Too” in *New Republic*, 102:137–139 (RGPL).
- 1940 (Feb.)(March) S. Chase published “Man I Want My Son to Be” (portrait) in *Parents Magazine*, 15:23 and *Scholastic*, 36:42 (RGPL).
- 1940 (Feb.) S. Chase published “Capital not Wanted” in *Harper’s*, 180:364–374, (RGPL).
- 1940 (March) S. Chase published “Shadow over Wall Street” in *Harper’s*, 180:364–374 (RGPL).

- 1940 (March) S. Chase was referenced in “Economic Effects of Depreciation,” an editorial in the *Journal of Accountancy* (161–162) *Accts. Index*. S. Chase considered his father as an expert on the topic of depreciation. “I (S. Chase) worked as a professional accountant, a CPA, off and on for many years. I was especially concerned with problems of the Depreciation of fixed assets, as revolutionized by my father, Harvey S. Chase—a land mark in accounting” (“The Stuart Chase Story” *Redding Pilot*, 10-28-1982).
- 1940 S. Chase’s biography and portrait appeared in *Current Biography 1940* (RGPL).
- 1940 S. Chase published *Idle Money, Idle Men* in New York for Harcourt, Brace (*Nat. Un. Cat.*).
- 1940 (May 18) S. Chase published “From the Bill of Fare: Speech at Dinner for Mrs. F. D. Roosevelt” in *Nation*, 150:624 (RGPL).
- 1940 (July 15) S. Chase published “If You Were President” in *New Republic*, 103:73–76 (RGPL).
- 1940 (July 22) S. Chase published “Men First, Money Second” in *New Republic*, 103:108–111 (RGPL).
- 1940 (July 29) S. Chase published “Can We Afford the New Deal?” in *New Republic*, 103:160–162 (RGPL).
- 1940 (Aug.) S. Chase published “What Money Is” in *Common Sense*, Vol. IX, pp. 7–10 (Lanier, 1970).
- 1940 (Aug. 24) S. Chase had his portrait along with review of *Idle Money, Idle Men* in *Sat. Rev. of Lit.*, 22:6 (RGPL).
- 1940 (Oct. 14) S. Chase published “Pan-American Defense” in *New Republic*, 103:515–518 (RGPL).
- 1940 (Dec. 31) S. Chase received a letter from R.E. Wood, acting chairman of the America First Committee, on Chase’s “Four Assumptions About the War.” Chase was not listed on its National Committee, as noted on the letterhead (Lib. of Cong., Container 14).
- 1941 S. Chase published “What the New Census Means” (p. 30) in New York for Public Affairs Committee (*Nat. Un. Cat.*)
- 1941 S. Chase published “A Primer of Economics,” illustrated by Lynd Ward (p. 60) in New York for Random House (*Nat. Un. Cat.*).

- 1941 S. Chase published with Peter Drucker and Neil H. Jacoby “Economic Consequences of a German Victory: A University of Chicago Roundtable Broadcast” in Chicago by the University of Chicago (No. 176, 26 pages) (*Nat. Un. Cat.*).
- 1941 S. Chase published “Four Assumptions about the War” in Chicago for America First Committee (*Nat. Un. Cat.*).
- 1941 S. Chase published “The New Patriotism” in the *Land*, Vol. 1, No. 3, pp. 181–185 (Lib. of Cong., Container No. 9, Stuart Chase Papers).
- 1941 (Jan.) S. Chase published “Calling all Inventors” in *Rotarian*, 58:26–28 and *Reader’s Digest*, 38:15–18 (*RGPL*).
- 1941 (Feb.) S. Chase published “What Makes the Worker Like to Work?” in *Reader’s Digest*, 38:15–20 (*RGPL*).
- 1941 (Feb.) S. Chase published “American Isolation” (excerpts) in *Canadian Forum*, 20:331–332 (*RGPL*).
- 1941 (May) S. Chase published “From the Lower Depths” in *Reader’s Digest*, 38:108–112 (*RGPL*).
- 1941 (June) S. Chase published “Arguments Against and Plan to Involve the United States in the Affairs of Europe” in *Congressional Digest*, 20:181–182 (*RGPL*).
- 1941 (June) S. Chase published “Declining Population” in *Current History*, 53:37 (*RGPL*).
- 1941 (Sept.) S. Chase published “Twilight of Communism in the U.S.A.” in *Reader’s Digest*, 39:25–28 (*RGPL*).
- 1942 S. Chase published *The Road We are Traveling* in New York for the Twentieth Century Fund, as a part of its When the War Ends Series (*Nat. Un. Cat.*).
- 1942 S. Chase published *Goals for America, a Budget of Our Needs and Resources: Guidelines to America’s Future as Reported to the Twentieth Century Fund* in New York for same as part of its When the War Ends series.
- 1942 (Jan.) S. Chase published “Power Politics vs. World Conquest” in *Reader’s Digest*, 40:1–6 (not in revised edition) (*RGPL*).
- 1942 (March) S. Chase published “Second Call for Inventors” in *Reader’s Digest*, 40:19–22 (*RGPL*).
- 1942 (March) S. Chase published “Bring our Youngsters into the Community” in *Reader’s Digest*, 40:7–10 (*RGPL*).

- 1942 (May) S. Chase published "Young Men in Tunbridge" in *Survey Graphic*, 31:229–233 and in *Reader's Digest*, 40:69–72 (RGPL).
- 1942 (May) S. Chase published "X Marks the Morrow" (interview)(portrait) in *Independent Woman*, 21:135–136+ (RGPL).
- 1942 (July) S. Chase published "What's Ahead for Small Business in the U.S.A.?" (portrait) in *Rotarian*, 61:10–12 (RGPL).
- 1942 (Aug. 16) S. Chase, M. Ezekiel, and T. Yntema debated "Economic Requisites of a Durable Peace," The University of Chicago Roundtable, No. 231 National Broadcasting Company (Lib. of Cong. Container No. 9, Stuart Chase Papers).
- 1942 (Sept.) S. Chase published "Paths to Tomorrow" in *Nat. Educ. Assoc., J.*, 31:173–174 (RGPL).
- 1942 (Oct.) 1943 (May) S. Chase published "Freedom from Want", "American Program of Plenty," and "From War to Work" in *Harper's*, 185:459–469, *Nat. Educ. Assoc., J.*, 31:207–208, and *Survey Graphic*, 32:150–233, (RGPL). He was the Special Editor for this edition of *Survey Graphic*.
- 1942 (Dec.) S. Chase published "Security Can Be Insured" in *Independent Woman*, 21:359+ (RGPL).
- 1943 S. Chase published "Perspectives What Kind of War! Is the New Deal Lost" in New York for Post War World Council (19 pages) (*Nat. Un. Cat.*).
- 1943 S. Chase published *Where's the Money Coming From! Problems of Postwar Finance; Guidelines to America's Future as Reported to the Twentieth Century Fund* in New York for its When the War Ends series (*Nat. Un. Cat.*).
- 1943 (Jan.) S. Chase published "Respect Your Materials" in *Reader's Digest*, 42:9–12 (RGPL).
- 1943 (Feb.) S. Chase published "When Peace Comes to America" in *Science Digest*, 13:1–5 (RGPL).
- 1943 (May) S. Chase Published "Toward a Mixed Economy" (portrait) in *Rotarian*, 62:17+ (RGPL).
- 1943 (May) S. Chase published "Labor-Management Committees Speed Production" in *Reader's Digest*, 42:89–92 (RGPL).
- 1943 (May) S. Chase was the subject of a brief article "Tooth Powder vs. S. Chase" in *Nation's Business*, 31:89 (RGPL).

- 1943 (May) S. Chase published “Man is a Working Animal” in *Survey Graphic*, 32:151–157 (RGPL) and he also edited the entire issue.
- 1943 (May) S. Chase was quoted in “So they Say” in *Survey Midmonthly*, p. 129.
- 1943 (June) S. Chase published “When War Spending Stops” in *Harper’s*, 187:20–24 (RGPL).
- 1943 (June 19) S. Chase published “Let’s Look at Labor” in *Nation*, 156:855–858 (RGPL).
- 1943 (Sept.) S. Chase published “Teaching Foremen that Workers are People” in *Reader’s Digest*, pp. 17–21 (RGPL).
- 1943 (Sept. 4) S. Chase spoke on “The America We’re Fighting For,” Twentieth Century Fund. He spoke with U.S. Supreme Court Justice Robert H. Jackson and Evans Clark, director of the Twentieth Century Fund, with Ben Grauer as moderator for the National Broadcasting Company (Lib. of Cong., Container No. 9, Stuart Chase Papers).
- 1943 (Sept. 4, Oct. 2, 23) S. Chase published “Financing America’s Future” in *Nation*, 157:262–264, 371–374, 466–468 (RGPL).
- 1943 (Oct.) S. Chase published “Show How: A Revolution in Management” in *Reader’s Digest*, 43:79–82 (RGPL).
- 1943 (Nov.) S. Chase published “To Do it Easier and Do it Better” in *Reader’s Digest*, 43:108–112 (RGPL).
- 1943 (Nov.) S. Chase published “Financing Postwar Prosperity” in *Nat. Educ. Assoc., J.*, 32:221–222 (RGPL).
- 1943 (Dec. 13) portrait in *Time*, 42:82 (RGPL).
- 1943 S. Chase published “What are We Fighting For” in *A Symposium Conducted by the St. Louis Post-Dispatch*, pp. 59–63 (Lib. of Cong., Container No. 9, Stuart Chase Papers).
- 1944 (April) S. Chase published “Story of Social Security” in *Reader’s Digest*, 44:88–91 (RGPL).
- 1944 (Apr. 8) S. Chase published “Facing the National Debt” in *Science Digest*, 15:85–88 (RGPL).
- 1944 (Oct.) S. Chase published “What the TVA Means” in *Reader’s Digest*, 45:37–40 (RGPL).
- 1944 (Dec.) S. Chase published “Big Government” in *Survey Graphic*, 33:484–487+ (RGPL).
- 1944 (Dec. 9) S. Chase published “Will it be Peace?” in *Nation*, 159:711–712 (RGPL).

- 1944 (Dec. 23) S. Chase published "Are Monopolies Inevitable?" in *Nation*, 159:768–770 (RGPL).
- 1945 S. Chase published *Democracy under Pressure: Special Interests vs. the Public Welfare: Guidelines to America's Future as Reported to the Twentieth Century Fund* in New York by same (*Nat. Un. Cat.*).
- 1945 S. Chase published *Men at Work: Some Democratic Methods for the Power Age* in New York for Harcourt, Brace (*Nat. Un. Cat.*).
- 1945 S. Chase published a second edition of "What the New Census Means" in New York for Public Affairs Committee (30 pages) (*Nat. Un. Cat.*).
- 1945 S. Chase published *Tomorrow's Trade Problems of Our Foreign Commerce: Guidelines to America's Future as Reported to the Twentieth Fund* in New York by same (*Nat. Un. Cat.*).
- 1945 (Jan.) S. Chase was quoted in the "So They Say" section of *Survey Graphic*.
- 1945 (Jan.) S. Chase published "Agenda for the American People" in *Survey Graphic*, 34:13–14+ (RGPL).
- 1945 (Jan.) S. Chase published "How to Keep Ghosts Out of Town" in *Reader's Digest*, 46:53–56 (RGPL).
- 1945 (Jan. 13) S. Chase published "Production First" in *Nation*, 160:39–41 (RGPL).
- 1945 (Feb. 5) S. Chase had his portrait in *Newsweek*, 25:17 (RGPL).
- 1945 (Feb. 24) S. Chase had his portrait in *Sat. Rev. Lit.*, 28:11 (RGPL) and a review of *Democracy under Pressure*.
- 1945 (March) S. Chase published "Pressure Groups in Our Democracy" in *Nat. Educ. Assn., J.*, 34:63–64 (RGPL).
- 1945 (May 19) S. Chase published "Back to Grandfather" in *Nation*, 160:564–566 (RGPL).
- 1945 (July) S. Chase published "Future of Your War Bonds" in *Science Digest*, 18:43–45 (RGPL).
- 1945 (Sept. 29) S. Chase published "Mr. Wallace and the Wise Boys" in *Nation*, 161:313–314+ (RGPL).
- 1945 (Oct.) S. Chase published "Stuff for Stuff: The Elemental Equation" in *Reader's Digest*, 47:64–67 (RGPL).
- 1945 (Dec. 22) S. Chase published "New Energy" in *Nation*, 161:709–710 (RGPL).

- 1946 S. Chase was noted by John Gambs' in *Beyond Supply and Demand: A Reappraisal of Institutional Economics*, published by Columbia University Press.
- 1946 S. Chase published *For this We Fought* as the sixth part of the When the War Ends Series of the Twentieth Century Fund in New York.
- 1946 (Jan.) S. Chase published "Foreign Trade Means You" in *Nat. Educ. Assn., J.*, 35:23–24 (RGPL).
- 1946 (Mar. 10) S. Chase was part of a panel on "Pressure Groups in Politics" for Northwestern University's "The Reviewing Stand," WGN Mutual On the Air Vol. 6, No. 14 (Lib. of Cong., Container No. 9, Stuart Chase Papers).
- 1946 (Apr. 9) Harvey S. Chase died in Winter Park, Fl. He was born June 18, 1861 in Portsmouth, N.H., (*NY Times*, Apr. 10, 1946). He graduated from MIT in 1883 with an S. B. Degree (*Nat. Enc. Am. Bio.*) "He introduced the first practical application of uniform municipal accounting schedules devised by The National Municipal League" (*Nat. Enc. Am. Bio.*).
- 1946 (May) S. Chase published " $E = MC^2$ " in *Survey Graphic*, 35:148–152 (RGPL).
- 1946 (May 4) S. Chase published "Calling All Social Scientists" in *Nation*, 162:538–540 (RGPL).
- 1946 (July 3) S. Chase wrote the Massachusetts Society of CPAs that he did not have his father's manuscript. S. Chase wrote "It needed a lot of editing, and some day I had hoped to help him with that task" (Vangermeersch, 2002, p. 89)
- 1946 (Oct. 5) S. Chase had a portrait in *Sat. Rev. Lit.*, 29:19 (RGPL) and a review of *For This We Fought*.
- 1946 (Dec.) S. Chase published "Make It an Adventure!" (portrait) (p.5) in *Rotarian*, 69:24–25 and in *Reader's Digest*, 49:1–3 (RGPL).
- 1947 S. Chase published *A Generation of Industrial Peace* for Standard Oil of NJ.
- 1947 S. Chase was an independent examiner "of labor-management relations in the refineries of the Standard Oil Company of New Jersey, where there had been no strike for thirty years" (foreword, *Roads to Agreement*). S. Chase also said he was "a member of National Planning Associations' Committee on Conditions of Industrial Peace... looking for

- the ‘universals’ which underlie good labor relations everywhere.”
- 1947 (Jan.) S. Chase published “World We Fought For” in *Nat. Educ. Assn., J.*, 36:26 (RGPL).
- 1947 (May) S. Chase published “Road to Labor Peace” in *Reader’s Digest*, 50:105–108 (RGPL).
- 1947 (Jan.) S. Chase published “Rise and Fall of the Great Bottle Trust” in *Reader’s Digest*, 51:25–30 (RGPL).
- 1948 Dixon Wecter wrote *The Age of the Great Depression: 1929–1941* in New York for MacMillan. Wecter wrote: “I pledge you, I pledge myself,” said Roosevelt, in accepting his nomination, “to a new deal for the American people.” With the implication of social justice a “new deal” had been invoked by Mark Twain’s Connecticut Yankee; at the end of August, following Roosevelt’s declaration, a book by Stuart Chase appeared with that title... 53. In a footnote on p. 53, Wecter noted that “In an interview early in his first term, Roosevelt acknowledged indebtedness to the Connecticut Yankee’s remark that when six men out of a thousand crack the whip over their fellow’s backs, it seemed to me that what the nine hundred and ninety-four other dupes needed was a new deal.”
- 1948 S. Chase published “How to Read an Annual Report” in *Lamp*, Vol. 30, March 20–25 and was the subject of an editorial in *Journal of Accountancy* in July 4.
- 1948 S. Chase published *The Proper Study of Mankind: An Inquiry into the Science of Human Relations* in New York for Harper (*Nat. Un. Cat.*).
- 1948 (July 12) S. Chase had his portrait in *Life*, 25:98 (RGPL).
- 1948 (Aug.) S. Chase published “Are you Alive” in an abridged form of his July 19, 1922 piece. The abridged version was in *Reader’s Digest*, 53:29–30.
- 1948 (Sept.) S. Chase published “How Different Are You?” in *Science Illustrated*, 3:30–31+ (RGPL).
- 1948 (Dec.) S. Chase published “Brain Power and Progress” in *Science Digest*, 24:30–34 (RGPL).
- 1948 (Dec. 4) S. Chase published “Are the Polls Finished?” in *Nation*, 167:626–629 (RGPL).
- 1949 S. Chase consulted for UNESCO (*WWW*).

- 1949 (June 11) S. Chase published "If Peace Breaks Out" in *Nation*, 655–657.
- 1949 (June 15, Sept.) S. Chase published "Proper Study of Mankind" in *Vital Speeches*, 15:530–534 and in *Science Digest*, 26:59–64 (RGPL).
- 1949 (Fall) S. Chase published "On Being Culture Bound" in the *Antioch Review*, pp. 293–306. It was reprinted in Lee, Burkhart, and Shaw's *Contemporary Social Issues* (New York: Thomas Y. Crowell Company, 1960, pp. 3–14).
- 1950 S. Chase received a Litt. D. (Hon.) from American University (WWW).
- 1950, 51 S. Chase and others published "The Social Responsibility of Management" in New York at the NYU School of Commerce, Accounts, and Finance (*Nat. Un. Cat.*).
- 1950 (May) S. Chase published "Journey through the Welfare State" in *Nations Business*, 38:39–40, 88–90.
- 1950s S. Chase said "My books were burned by Sen. McCarthy" *Danbury News-Times*, 9/30/1982.
- 1951 S. Chase published "Operation Bootstrap in Puerto Rico" in Washington for the NPA Business Committee on National Planning (72 pages) (*Nat. Un. Cat.*).
- 1951 S. Chase published *Roads to Agreement: Successful Methods in the Science of Human Relations* in New York for Harper (*Nat. Un. Cat.*).
- 1951 S. Chase "returned from Puerto Rico where at the joint request of the National Planning Association and the P. R. Government he made a survey of the island's new industrial program and its chances of solving problems there" ("Laboratories for Peace," short bio. on S. Chase).
- 1951 (Mar. 17, Apr. 7) S. Chase published "Paths to Labor Peace" in *Nation*, 172:250–252, 336, (RGPL). This was reprinted in Lee, Burkhart, and Shaw's *Contemporary Social Issues* (1960).
- 1951 (Apr. 7) S. Chase wrote a letter to the *Nation*, "No Debate", p. 336.
- 1951 (May 12) S. Chase had a biographical sketch in *Sat. Rev. Lit.*, 34:9 (RGPL) plus a review by Howard W. Odum of *Roads to Agreement*.
- 1951 (Oct.) S. Chase published "Dress Rehearsal for Real Life," excerpt from *Roads to Agreement* in *Reader's Digest*, 59:83–86 (RGPL).

- 1951 (Oct. 27) S. Chase published "Out of the Rubble, a New Russia" (portrait) in *Colliers*, 128:36+ (RGPL).
- 1952-69 S. Chase was Secretary of the Redding Planning Commission (WWW). "S. Chase takes his responsibilities as secretary most seriously and showed me with pride an accountant's sheet at least three feet wide on which he keeps a meticulous record of every application for a variance" *Redding Times*, Apr. 26, 1956.
- 1952 (Jan.) S. Chase published "Guilt by Association" in *Reader's Digest*, 60:35 (RGPL).
- 1952 (Mar. 4) S. Chase reviewed J.K. Galbraith's *The Concept of Countervailing Power* in the *Reporter*, pp. 33-35 (Lib. of Cong., Container No. 10, Stuart Chase Papers).
- 1952 (Apr. 5) S. Chase published "Nineteen Propositions about Communism" in *Saturday Review*, 35:20-21 (RGPL).
- 1952 (June) S. Chase published "Why Some Companies Have no Labor Trouble" in *Reader's Digest*, 60:16-20 (RGPL).
- 1952 (Aug.) S. Chase published "Careers Ahead in Social Science?" in *Reader's Digest*, 61:47-51 (RGPL).
- 1952 (Sept.) S. Chase published "Communication: Up, Down and Sideways" in *Reader's Digest*, 61:97-101 (RGPL).
- 1952 (Nov.) S. Chase published "How to Argue" in *Reader's Digest*, 61:53-54 (RGPL).
- 1953 Stuart Chase was noted in David Riesman's *Thorstein Veblen A Critical Interpretation*, published in New York by Charles Scribner's Sons.
- 1953 S. Chase published *Power of Words* in New York for Harcourt, Brace & World, Inc.
- 1953 (Feb. 15) S. Chase published "Roads to Agreement" in *Vital Speeches*, 19:279-281.
- 1953 (May) S. Chase published "We Can Do Something About It" in *Reader's Digest*, 62:41-45 (RGPL).
- 1953 (Sept.) S. Chase published "Get the Facts First!" in *Reader's Digest*, 63:70-72 (RGPL).
- 1953 (Nov.) S. Chase published "Are You Listening?" Excerpt from *Power of Words* in *Reader's Digest*, 63:111-113 (RGPL).
- 1954 (Jan.) S. Chase published "Machines That Think" in *Reader's Digest*, 64:143-146 (RGPL).
- 1954 (Feb.) S. Chase published "Five Words to Agreement" (portrait) in *Rotarian*, 84:20-22 (RGPL).

- 1954 (Feb.) S. Chase published “Your Money’s Worth,” (portrait) in *Consumer Reports*, 19:93–95 (RGPL).
- 1954 (Feb.)(June)(Oct.) 1955 (Jan.) S. Chase published “Tips on Straight Thinking” in *Reader’s Digest*, 64:63–64, 121–122; 65:131–133; 66:88–90 (RGPL).
- 1954 (Mar. 6) S. Chase had a biographical sketch by B. Kalb in *Sat. Rev.*, 37:13 (RGPL), along with review by Quincy Howe on the *Power of Words*.
- 1954 (Mar. 9) S. Chase published a Letter to the Editor in the *NY Times* on Senator Joseph McCarthy (Lib. of Cong., Container No. 2). The letter was entitled “Weaving Chain of Suspicion” and appeared on p. 26.
- 1954 (April) S. Chase published “Hate at First Sight” in *Reader’s Digest*, 64:57–58 (RGPL).
- 1954 (April) S. Chase published “How Language Shapes Our Thoughts” in *Harper’s*, 208:76–82 (RGPL).
- 1954 (Apr. 29) S. Chase published “What is a Communist” in the *N. Y. Herald-Tribune* (Lib. of Cong., Container No. 2, Stuart Chase Papers).
- 1954 (May 30) S. Chase published “Forty, Thirty or Five-hour Week?” in *New York Times Magazine*, p. 10 (RGPL).
- 1954 (June 19) S. Chase published “Korzybski and Semantics” in *Sat. Rev.*, 37:11–12+ (RGPL).
- 1954 (Nov.) S. Chase published “Our Amazing Network of Nerves, excerpts from *Power of Words*” in *Science Digest*, 36:1–4 (RGPL).
- 1954 (Dec.) S. Chase reviewed Gordon Allport’s *The Nature of Prejudice* in the *Progressive*, pp. 31–32 (Lib. of Cong., Container No. 10, Stuart Chase Papers).
- 1955 (Jan.) S. Chase published “Neither Black Nor White – Tips on Straight Thinking IV” in the *Reader’s Digest*, pp. 88–90.
- 1955 (Oct.) S. Chase published “Automation and Education” in *Nat. Educ. Assn., J.*, 44:393 (RGPL).
- 1956 S. Chase published a revised edition of *The Proper Study of Mankind* in consultation with Edmund de Brunner in New York for Harper (*Nat. Un. Cat.*).
- 1956 S. Chase published *Guides to Straight Thinking with Thirteen Common Fallacies* in New York for Harper (*Nat. Un. Cat.*).
- 1956 S. Chase published *Power of Words* in New York for Harcourt, Brace (*Nat. Un. Cat.*).

- 1956 (March) S. Chase published "How to Conquer Frustration" in *Reader's Digest*, 68:24–26 (RGPL).
- 1956 (Apr. 26) S. Chase was featured in *The Redding Times*.
- 1957 Stuart Chase was referenced in Lev E. Dobriansky's *Veblenism: A New Critique* on p. 159, p. 198, p. 330, p. 331, p. 369, p. 374, p. 382. Dobriansky wrote:
 "The concept of a social organization founded, as Stuart Chase would have it, on the basis of a separation of political democracy and economic planning involves a perilous dualism between the higher immaterial ends of man and his inferior material ends. It is dangerous because inevitable authoritarian determination of the latter ends would undoubtedly affect the reality of the former ends, 374".
- 1957 S. Chase wrote "Working Capital" for the Harvard publication *College in a Yard*, pp. 53–57.
- 1957 S. Chase published *National Training Laboratories: The Story of the Bethel Ideas* in Washington, DC for same, (*Nat. Un. Cat.*). S. Chase was listed as being on the Advisory Board for the N.T.L.
- 1957 Arthur M. Schlesinger, Jr., in *The Crisis of the Old Order, 1919–1933* (Boston: MA, 1957, p. 201) wrote this about S. Chase: "Genially eclectic in his views, Chase had a tart and ingratiating style, an uncommon talent for lucidity in exposition, and an unlimited curiosity about all aspects of the system. He had sat at Veblen's feet in the early twenties; and Veblen remained his intellectual mentor; but he also read Taylor and Keynes, production theorists and monetary theorists, conservatives and cranks; and stirred them all together to view his own effervescent concoctions" (Lanier, 1970, p. 110).
- 1957 (Feb.) S. Chase published "Zoning Comes to Town" in *Reader's Digest*, 70:129–133 (RGPL).
- 1957 (Mar. 2) S. Chase published "Language of Nods" in *Sat. Rev.*, 40:17–18 (RGPL).
- 1957 (Dec.) S. Chase published "Watch the False Analogy! Excerpt from Guides to Straight Thinking" in *Reader's Digest*, 71:125–126 (RGPL).
- 1958 S. Chase published "How to Read an Annual Report," in New York by the AICPA (20 pages) *Accts. Index* and in New York by Standard Oil of NJ, (*LC-NUC*). These were

- reprinted from the *Lamp*, Vol. 39, Winter 1957–58, 18–23 and from *Taxes – The Tax Magazine*, Vol. 36, May 1958, pp. 343–348, 350, *Acct. Index*.
- 1958 S. Chase published *Something Worth Knowing: A Generalist's Guide to Useful Knowledge* in New York for Harper (*Nat. Un. Cat.*).
- 1958 (Feb.) S. Chase published “How Up-to Date is Your Town's Building Code?” in *Reader's Digest*, 72:169–170+ (*RGPL*).
- 1958 (Apr. 5) S. Chase published “New Political Dimension” in *Sat. Rev.*, 41:15–16, (*RGPL*).
- 1958 (June 26) S. Chase published “Economic Embarrassment of America's Riches” in *Reporter*, 18:34–36 (*RGPL*).
- 1959 Joseph Dorfman in his *The Economic Mind in American Civilization* (p. 641) wrote “that Veblen's stringent criticism of American economic practices were not widely appreciated until Chase began to popularize them in the twenties” (Lanier, 1970, pp. 37–38).
- 1959 (Feb. 7) S. Chase published “Search for a World All Men Want” *Sat. Rev.*, 42:17 (*RGPL*).
- 1960s S. Chase “was a strong advocate of the Great Society programs of LBJ” in (*NY Times* Obit. 11/17/85).
- 1960 S. Chase had comments in the Fiftieth Anniversary Report of the Harvard Class of 1910. He wrote: “I used to be something of an economic radical, but I have given up all isms, except perhaps scientific humanism. I have come to distrust the dogma of the left almost as much as that of the right...” p. 74.
- 1960 S. Chase published *Live and Let Live: A Program for Americans* in New York for Harper (*Nat. Un. Cat.*).
- 1960 S. Chase had two articles reprinted in Lee, Burkhart, and Shaw's *Contemporary Social Issues* (New York: Thomas J. Crowell). S. Chase was also referenced in “Two Countries” with “The Project of Our Country” done by Ilia Iakolevich Marshak some time after the announcement of the First Five Year Plan (1927).
- 1960 S. Chase visited the U.S.S.R. He commented that the Russians were still against birth control (July 5, 1972 interview by Mrs. Sybil Schainwald, p. 8).
- 1960 (Apr. 16) S. Chase published “Technological Imperative” (portrait) in *Sat. Rev.*, 43:17–18+ (*RGPL*).

- 1961 S. Chase “was part of a group of American intellectual leaders who went to the Soviet Union to seek better understanding between the world’s two major nuclear rivals” *NYT*, 4/17/85.
- 1961 S. Chase published “What are We Talking About” in the Spring issue of *Lamp*, Vol. 43, pp. 6–9 (*Accts. Index*).
- 1961 (May) S. Chase published “How it all Began” (portrait) in *Consumer Reports*, 26:258 (*RGPL*).
- 1961 (May 6) S. Chase published “Principles for the Nuclear Age” in *Sat. Rev.*, 44:32–33 (*RGPL*).
- 1961 (Nov. 4) S. Chase published “Doomsday on a Small Planet” in *Sat. Rev.*, 44:23 (*RGPL*).
- 1962 S. Chase published *American Credos* in New York for Harper & Brothers.
- 1962 (June 30) S. Chase published “Book in the News” in *Sat. Rev.*, 45:17 (*RGPL*).
- 1962 (Dec.) S. Chase published “Are you Listening?” in *Reader’s Digest*, 81:80–82 (*RGPL*).
- 1963 (Jan. 12) S. Chase published “Credo of a World Man” in *Sat. Rev.*, 46:72–73 (*RGPL*).
- 1963 (Jan. 26) S. Chase published “Bombs, Babies, Bulldozers” in *Sat. Rev.*, 46:21–23+ (*RGPL*).
- 1963 (June) S. Chase published “Two Worlds” in *Bulletin of Atomic Scientists*, 19:18–20 (*RGPL*).
- 1963 (July) S. Chase published “Confessions of a Town Planner” in *Reader’s Digest*, 83:133–137 (*RGPL*).
- 1964 S. Chase published *Money to Grow On* in New York for Harper & Row (*Nat. Un. Cat.*).
- 1964 S. Chase was “savaged” in the right-wing polemic *None Dare Call It Treason* by John A. Stormer.
- 1964 (Aug. 8) S. Chase published “New Ways to Make Modern Money” in *Sat. Rev.*, 47:30 (*RGPL*).
- 1965 S. Chase had comments in the Fifty-Fifth Anniversary Report of the Harvard Class of 1910. He wrote: “I attended two conferences in the State Department’s Cultural Exchange Program with Russia – one at Dartmouth and the second in the Crimea.... So far I have not heard of any attacks on these conferees from the Radical Right,... One high official of the Russian Planning Board gave me an interview in Moscow,

- which I reported in *Challenge*, a magazine published by New York University Economics Department...” pp. 31–32.
- 1965 (Mar. 13) S. Chase published “Historical Necessity of Peace” in *Sat. Rev.*, 48:129 (RGPL).
- 1965 (July 17) S. Chase published “More Power, Less Security” in *Sat. Rev.*, 48:32–33 (RGPL).
- 1966 (Aug. 13) S. Chase published “S-curves are Forming” in *Sat. Rev.*, 49:36 (RGPL).
- 1967 (Feb. 11) S. Chase published “Can We Stop Progress?” in *Sat. Rev.*, 50:20–22 (RGPL).
- 1968 S. Chase published the *Most Probable World*, (*WWW in Am*).
- 1968 (Feb.) S. Chase published “Needed: A World Bureau of Standards. Excerpt from *The Most Probable World*” in *Current*, 92:38–39 (RGPL).
- 1969 S. Chase published *Danger – Men Talking! A Background Book on Semantics and Communication* in New York for Parent’s Magazine Press (*Nat. Un. Cat.*).
- 1969 (Oct. 17) Colston E. Warne interviewed S. Chase for the Center for the Study of the Consumer Movement.
- 1969 (Oct. 30) Richard Nixon noted S. Chase and F.J. Schlink in Nixon’s message to Congress entitled “Special Message to the Congress on Consumer Protection” (John M. Carfora).
- 1970 S. Chase received a Litt. D. (Hon.) from Emerson College (*WWW*).
- 1970 James C. Lanier writes a dissertation, *Stuart Chase: An Intellectual Biography (1888–1940)* at Emory University.
- 1970 (Jan. 31) S. Chase published “Headlines for One World” in *Sat. Rev.*, 53:17–19 (RGPL).
- 1970 (May) S. Chase published “Against a Common Fate” (illustrated) in *Bulletin for Atomic Scientists*, 26:9–10.
- 1970s S. Chase published *The Open Space Story in Redding*, a collection of his editorials on zoning in Redding (Mark Twain Library).
- 1971 S. Chase was mentioned in *FDR: Portrait of a President* by Joseph Gies.
- 1971 (Feb. 20) S. Chase published “Two Cheers for Technology” in *Sat. Rev.*, 54:20–21+ (RGPL).
- 1972 S. Chase published “Communicate” in Evanston, IL by McDouglas, Littell & Co. (84 pages) (*Nat. Un. Cat.*).

- 1972 (July 5) Mrs. Sybil Shainwald interviewed S. Chase for (probably) the Center for the Study of the Consumer Movement. SC: "I call myself a generalist. I'm a specialist in three categories. I'm a specialist on accounting. I had to be to get that job (New York Labor Outfit). I'm something of a specialist on economics and something of a specialist on semantics, communications. I've got three books on that" pp. 3-4.
- 1973 S. Chase was frequently referenced in Richard H. Pells' *Radical Visions and American Dreams: Culture and Social Thought in the Depression Years* (NY: Harper & Row on pages 13, 27-28, 32, 46, 50, 55, 62, 71-75, 79, 91, 94-102, 106, 121, 125, 127, 302).
- 1973 S. Chase published "Club of Rome and its Computer" in *Bulletin of Atomic Scientists*, 29:36-39 (RGPL).
- 1974 S. Chase received a Litt. D. (Hon.) from the University of New Haven (*WWW*).
- 1975 (Jan.) S. Chase published "Last Civilization" in *Bulletin of Atomic Scientists*, 31:37-40 (RGPL).
- 1975 (May) S. Chase published "Can We Achieve a Truly Tolerable Planet?" in *The Technology Review*, MIT's alumni magazine, pp. 10-11.
- 1975 (Oct.) S. Chase published "A Modest Utopia" in *The Futurist*, Vol. 9, No. 5, pp. 249-253. This was reprinted as "Toward a Steady-State Society: For a Modest Utopia" in *Current*, Jan. 1976, pp. 3-8.
- 1975 (Dec.) S. Chase published "One World or None" in *Bulletin of Atomic Scientists*, 31:5 (RGPL).
- 1976 (Jan.) S. Chase published "Toward a Steady-State Society" in *Current*, 179:3-8 (RGPL).
- 1976 (Jan.) S. Chase published "My Friend Benton" in *Living Wilderness*, 39:17-18 (RGPL).
- 1976 (Aug. 29) S. Chase was interviewed in *The News Times*.
- 1976 (Dec.) S. Chase published "No Nation Alone" (illustrated) in *Bulletin of Atomic Scientists*, 32:42-43.
- 1977 (April) S. Chase published "Global Challenges: Excerpt from *Bulletin of Atomic Scientists*" in *Science Digest*, 81:70-72.
- 1977 (Sept. 29) Norman Silber interviewed Stuart Chase for the Center for the Study of the Consumer Movement.

By that time, Harvey S. Chase and Company was the biggest accounting firm in New England, p. 3.

“... and then I took hum-drum courses in accounting and economics...”

p. 7 Silber: “Did you have a love for accounting? I mean did you really enjoy those 10 years as an accountant?” Chase: “To a degree. I got bored after awhile, but I like to fool around with figures. And to go from one concern to another was interesting” p. 5.

Silber: “Did you help some of these firms out of bankruptcy?”

Chase: “On no, nothing like that. I was usually under a senior, you see. I was a junior accountant. And sometimes there’d be a dozen of us. And sometimes, when you did a bank examination, we would get locked up all night! Spend all night down in the cells, working on the books” p. 7.

“My father hoped that I’d come back to accounting in Boston, but I never did. I was too much concerned with other ideas, mostly liberal” p. 12.

“I suppose I *wrote* ninety percent of the book and he produced seventy-five percent of the *data*. When we finally got it done, I handed it over to my publisher at MacMillan. He was quite pleased with it. I’ll never forget the day he came up to the Harvard Club with a book in his hand, *Your Money’s Worth*, a preliminary printing. He whacked it down on the table and said “The Book-of-the-Month club has taken it!” That was a very important day in my life. Because, then I was finished with accounting as my life’s work. I was through, to a great degree, with just following one liberal movement after another. I was now going to devote myself to writing. On many of the same things I’d been interested in, but at that time – twelve o’clock on Wednesday afternoon, 1927 – is when I decided to become a professional writer” p. 14.

Silber: “... You always proposed practical solutions. Always a combination of idealism and very practical recommendations.” Chase: “That comes of going to MIT, I guess (laughter) and being an accountant” p. 23.

1977

(Oct. 7) Norman Silber interviewed S. Chase and Marian Chase for the Center for the Study of the Consumer Movement.

- 1977 (Oct. 18) Normal Silber interviewed S. Chase and Marian Chase for the Center for the Study of the Consumer Movement.
- 1978 S. Chase was noted in the *Great Soviet Encyclopedia*, a translation of the Third Edition, Vol. 29, MacMillan, pp. 69–70.
- 1978 S. Chase was noted by John P. Diggins on p. 213 in *The Bard of Savagery: Thorstein Veblen and Modern Social Theory*, published in New York by Seabury Press.
- 1978 (March) S. Chase publishes “Don Quixote Rides Again” in *Bulletin of Atomic Scientists*, 34:7 (RGPL).
- 1978 (Mar. 5) S. Chase was interviewed in “Stuart Chase Looks Ahead to 90” in *Danbury News-Times*. In it S. Chase stresses society’s worst obstacles: Babies, Bombs, and Bulldozers.
- 1978 (Mar. 9) Dedication of the Stuart Chase Long View Nature Trail in Redding, *Redding Pilot*.
- 1979 (March) S. Chase publishes “World without Boundaries” in *Bulletin of Atomic Scientists*, 35:82–83 (RGPL).
- 1980 S. Chase is interviewed by Mary Saville.
- 1981 (Mar. 5) S. Chase published “A Whole New Manner of Thinking” in *Redding Pilot*.
- 1982 Robert Bloom published WP No. 52 on “The Ideas of Stuart Chase: Pioneer Social Accountant and Economist” for the Academy of Accounting Historians.
- 1982 (Sept. 30) “Marian and Stuart Chase’s Active Pace,” *The News-Times*.
- 1982 (Oct. 28) A portrait of S. Chase was unveiled at the Village Bank (*Redding Pilot*).
- 1982 (Oct. 28) “The Stuart Chase Story” by S. Chase in *The Redding Times*.
- 1985 (Nov. 16) S. Chase died. Buried Umpawaug Cemetery in Redding, (*WWW*). “He was one of the last surviving members of the small group of advisers who helped President Roosevelt shape The New Deal” (*NYT*, 11/17/85 obit). “Conservatives who opposed his economic views still marveled at the way he could discuss complicated economic problems in racy, colloquial, readable language” (*NYT*, 11/17/85 obit).
- 1986 (June 16) Memorial Service for S. Chase at Umpawaug Cemetery “... S. Chase’s six year-old great-grandson, John

- Kieran Maloney, was overheard saying... ‘I wish I’d known Stuie when he was alive’” (*Redding Pilot*, June 19, 1986).
- 1986 (Nov. 5) John Galbraith presented “Stuart Chase: 1888–1985” at the Proceedings of the American Academy and Institute of Arts and Letters in NYC.
- 1988 S. Chase was noted by Michael V. Namorato in *Rexford G. Tugwell: A Biography*, published by Praeger in New York. Namorato wrote: “If these 1928 activities were indicative of Tugwell’s growing reputation, there was another that contributed to it in a different manner. In 1927, Tugwell was a member of a trade union delegation that spent ten weeks in the Soviet Union. The delegation was headed by Albert F. Coyle and included such notables as Robert Dunn of the American Civil Liberties Union, J. W. Fitzpatrick of the Actors and Artists of America, and Stuart Chase, co-founder of Consumer’s Research. Tugwell was to study agriculture. While there, he spent a fair amount of time sightseeing and giving speeches. On his return, the delegation put together a group of essays on Soviet Russia, with Tugwell writing a chapter on agriculture. Neither then nor later was he a partisan of Russian Communism, nor did he accept Marxism. Nevertheless, what was an innocent scholarly adventure later turned into a nightmare for Tugwell. Critics of the 1930s would accuse him of being a Communist, a regimenter, and a proponent of dictatorship, all of which was nonsense. Years later, Tugwell indicated that he was “considered suspicious by many” because of the trip. It was something he never lived down” pp. 39–40.
- 1992 S. Chase was noted by Michael Namorato on p. 143 in *The Diary of Rexford G. Tugwell: the New Deal, 1932–1935*, published in New York by Greenwood Press on.
- 1992 Jim Lanier drafted Chapter 2, “Career Demands and Personal Dilemmas” and Chapter 3 “Industrial Technology and The Quality of Life” as parts of a proposed book on S. Chase.
- 1994 S. Chase is mentioned in Doris Kearns Goodwin’s *No Ordinary Time*.
- 1994 Linda J. Bradley and Barbara Merino published “Stuart Chase: A Radical CPA and the Meat Packing Investigation”

- in *Business and Economic History*, Fall issue. They wrote that “Harvey Chase agreed to loan his twenty nine year old son Stuart to the FTC to conduct the investigation.”
- 1998 S. Chase was noted in *A History of Accountancy in the United States: The Cultural Significance of Accounting* by Gary John Previts and Barbara Dubis Merino, published in Columbia, Ohio by the Ohio State Press.
- 1999 (April and August) Richard Vangermeersch presented “A Preliminary Data Base for Stuart Chase (1888–1985): A Posthumous Nominee for the Accounting Exemplar Award” in Rochester (NERAAA) and San Diego (AAA), respectively.
- 2002 Richard Vangermeersch published *An Analysis of the Life and Writings of Harvey Stuart Chase (1861–1946) Along with Selected Readings*.
- 2002 (Jan. 16) Richard Vangermeersch met with Alan Hodson – Stuart Chase’s grandson – and John M. Carfora, Associate Director of Grants and Contracts at Dartmouth College. John, a USSR expert, said Foreign Minister Kosygin regarded Stuart Chase as his most important U.S. writer. John and Alan spoke of Richard Nixon’s praise of S. Chase. Joel Dirlam, URI Emeritus Professor of Economics, was also there.
- 2002 (Jan.) R. Vangermeersch drafted the first chapter of “The Life and Writings of Stuart Chase (1888–1985) from an Accountant’s Perspective.”
- 2002 (March) R. Vangermeersch read the Britannia Internet information on Aleksei Kosygin.
- 2002 (May 20) R. Vangermeersch wrote to the head of the H.G. Wells Society. Dr. John Hammond responded on May 28, 2002 that no book by H.G. Wells appeared to have S. Chase as a subject/character.
- 2002 (June 13) R. Vangermeersch visited the Harvard University Archives to research Stuart Chase, Clifford Hoffman Chase, and Gardner Ward Chase.
- 2002 (July 14, 15) R. Vangermeersch visited the Library of Congress to review the Stuart Chase papers. There were at least 1,000 fan letters to S. Chase for the period of 1930 through 1959. All sorts of people were so touched by his efforts that they sent him letters. The writer chose a few of them from people who need little introduction. On Jan. 23,

1933, Gardiner C. Means, co-author of the *Modern Corporation*, thanked S. Chase for his book review (Container No. 1). On Sept. 18, 1935 Albert Einstein wrote his admiration upon reading *A New Deal*: “The clarity and simplicity of the presentation, the self-evident sound political sense, as well as the pleasing concreteness with which a reasonable way is shown for future development, make it seem highly desirable that this book should be carefully read by all persons of any intelligence and learning in this country. I wish I could somehow contribute to this end!” (Container No. 1). In October 1936, W.Z. Ripley, professor of economics at Harvard and author of *Main Street and Wall Street*, wrote “You and A Square Berle (A2 – not AAA) are the two highest stars in my own (not Hayden’s) planetarium” (Container No. 1).

On July 26, 1937, C.K. Ogden, Director of the Ontological Institute for the Promotion of Research on the Science of Language, wrote: “It was a pleasure to hear from you again and I look forward to reading the manuscript of your *Tower of Babel*” (Container No. 7). P.W. Bridgeman of the Research Laboratory of Physics at Harvard wrote on Sept. 30, 1937: “It seems to me that the subject is of the very greatest importance, and I hope that your book will call popular attention to it” (Container No. 7).

A. A. Berle, Jr., a noted New Dealer, wrote on Dec. 20, 1937: “Meanwhile, everybody ought to read *The Tyranny of Words*. It will not make him happier; but it may make him more careful!” (Container No. 7). On Dec. 1, 1938, President Franklin Delano Roosevelt invited S. Chase to a lunch to discuss with a small group what ultimately became the presidential library at Hyde Park (Container No. 1). On Apr. 25, 1941, U.S. Senator Robert M. Follette, Jr. wrote: “I think *A Primer of Economics* is a must book. I hope it has the widest possible reading” (Container No. 6).

On May 2, 1941, Leon Henderson, a noted New Dealer, noted he had read *A Primer of Economics* (Container No. 6). Another noted New Dealer, M.S. Eccles, wrote on May 8, 1941 about *Primer of Economics*. “Your selection of words, sentence structure and the use of interesting and illuminating illustrations result in a story which will engage the interest of

practically everyone and will be understandable to any reader in high school or above” (Container No. 6).

Elton Mayo, Professor of Industrial Research at Harvard, on Mar. 25, 1941 wrote: “Many of us have been interested in your article in the Feb. *Reader’s Digest*. Fritz Roethlisberger and W. J. Dickson are especially grateful to you for calling attention to a book, the writing of which occupied them the better part of four years...” (Container No. 14). On June 19, 1941, President Franklin D. Roosevelt invited S. Chase and immediate family to Hyde Park for the dedication of the presidential library (Container No. 14). The President and Mrs. Roosevelt sent the Chase’s a Christmas card for 1941 (Container No. 14).

Kurt Lewin, Director of MIT Research Center for Group Dynamics, wrote on June 4, 1945: “Thanks for having your book sent to me. Enclosed is a copy of the letter to the publisher which tries to express my appreciation. I don’t need to tell you how strongly I feel about the importance of these problems” (Container No. 3). Peter F. Drucker, a noted writer on management, wrote on July 18, 1946, “... I am delighted to hear that you are doing a study of the Standard Oil Industrial Relations which I consider particularly interesting, especially the work on team and community building which they have been doing almost as a side line to their financial security program” (Container No. 14). On Feb. 20, 1947, Alvin H. Hansen, noted Harvard economist, responded to Chase’s survey of the importance of research in the social sciences (Container No. 4). On Mar. 17, 1947, John Dewey of Columbia also responded to the survey (Container No. 4). S. I. Hayakawa, a noted semanticist and later U.S. Senator from California, wrote on Mar. 1, 1948: “Your lecture certainly was a success here and I’ve received many congratulatory telephone calls about it” (Container No. 4).

Rensis Likert, Director of the University of Michigan Institute for Social Research, wrote on Jan. 12, 1951: “I am looking forward with enthusiasm to seeing your book in print because I feel it is especially important in this time of difficult problems that lie ahead...” (Container No. 5). Dean Acheson, Secretary of State, on May 1, 1952 wrote: “I very

much appreciate your thoughtfulness in bringing to my attention your views on Communism published in *The Saturday Review*. It was certainly not composed lightly and I read it with great interest” (Container No. 3). U.S. Supreme Court Justice William O. Douglas on May 8, 1952 wrote: “Many thanks for sending me a copy of your article in *The Saturday Review*. I have read it with great interest” (Container No. 3).

Helen Keller on Mar. 4, 1953, wrote: “After the pleasure of seeing you again at the Roper’s party, I thank you especially for your stimulating letter” (Container No. 1). Upton Sinclair, a noted “muckraker” and activist, wrote on Mar. 5, 1954: “I see your work now and then, and always with agreement” (Container No. 1). U.S. Senator from Alaska, Ernest Gruening, wrote on Dec. 23, 1957: “With the proper publicity campaign, I believe your book can become a best seller. There was, perhaps, never a time in your history when correct thinking was more important” (Container No. 11). Lastly, David J. McDonald, President of the United Steelworkers of America, wrote on Jan. 3, 1958: “Because of your deep devotion and concern for the cause of humanity, and because of the contributions you have made toward the preservation of our democracy, you are invited to be our guest at a national Conference for Human Rights to be held Feb. 3, 1958, the Bellevue-Stratford Hotel, Philadelphia, Pennsylvania” (Container No. 11).

2003

Alan Hodson, with John M. Carfora and Sonia Chase Hodson, formed the Stuart Chase Society in May. Its webmaster is Alan Hodson and can be reached at <http://www.stuart-chase-society.org>.

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