

*The Reserve Banks and the Money Market.* By W. Randolph Burgess, Harper & Brothers, New York, 1927, pages xiii, 328.

As the author modestly puts it in his preface, "this book is an attempt to set down some of the facts and philosophy of Federal Reserve operations which have grown up about the Federal Reserve Bank of New York, as they appear to one member of the staff." In reality it is a comprehensive, though very succinct and admirably clear exposition of the Federal Reserve System, its structure and its operations and its intimate inter-relation with the money market. In sixteen chapters written so that any intelligent layman can clearly follow the subject, Mr. Burgess outlines the structure of the Federal Reserve System; its growth; the efficient use of the country's money reserves concentrated in the reserve banks; the new currency, the Federal Reserve note, and the methods used to insure its elasticity as against the rigid system which prevailed before the creation of the Federal Reserve System. The book explains the functions of the reserve banks constituting the Federal Reserve System in the clearing of bank checks for the entire country, as the Clearing House does it for the city. It describes its functions as banker for the government; its place in regulating, or rather adjusting, the supply of funds to the country's demand for the same through the discounting of "bills" (bank drafts and acceptances) and the purchase or sale of government securities.

In discussing the price stability which the Federal Reserve System has aided in maintaining during the years of enormous importation of gold into the United States since 1920, Mr. Burgess analyzes the open market and discount policy of the system which had to feel its way between two extremes: high enough discount rates to prevent inflation and low enough to avoid attracting more gold to the already abnormally large supply in the United States. The book was written before the present phase of our monetary situation had made itself felt, namely, the reversal in the movement of gold, which has led to the loss of most of our gold increase of preceding years. The rise in the discount rate and controversy over the effect of the Federal Reserve bank policy upon the stock market situation have been consequences.

It will be most interesting to read the new chapter dealing with this latest phase of our Federal Reserve development, which the author will in all probability add to the next edition of his book. This should be in the hands of every man and woman who desires, without getting lost in the maze of technical details, to understand our monetary and banking system.

N. I. STONE\*

*Wage Arbitration: Selected Cases, 1920-24.* By George Soule, The Macmillan Company, New York, 1928, pages xii, 298.

The preparation of a case book on wage arbitration is a task for which Mr. Soule is peculiarly fitted, owing to his work with the Labor Bureau, Inc., which is well known as a research bureau specializing in the preparing and pres-

\*Consulting Management Engineer, New York, N. Y.

entation of briefs for various unions in arbitration. This book is a collection of abstracts of arbitration briefs and arguments compiled by Mr. Soule for the Workers Education Bureau. It covers four cases in the New York commercial printing industry, one in the Chicago packing industry, three railroad cases, and four cases in the Cleveland garment industry. Every part of the argument in each case is carefully and accurately abstracted and any reasons given by the arbitrator for his award are presented as well as the actual award.

Mr. Soule has provided the book with a short but valuable introduction which shows his first hand familiarity with the material and sets forth certain conclusions as to the nature of an arbitration case. He points out some of the important differences between legal cases and wage arbitrations, the great intricacy and difficulty of determining what the facts are in arbitration cases, the vagueness and uncertainty of the principles laid down in agreements or precedents, and the fact that the decision must be enforced by the parties to the dispute and that arbitration after all is an extension of collective bargaining. The book is clearly not intended as an array of precedents but as illustrative material on this method of settling disputes.

Mr. Soule very wisely chose cases where he could secure relatively full treatment, and he has limited his cases to those dealing with wage disputes, showing other questions of dispute only in relation to the wage issue. The period of time covered is that from 1920 to 1923, which included the end of the inflationary postwar prosperity, the deflation and depression, and the recovery. The advantage of this period is that it is relatively free from the abnormal conditions due to the war. Moreover it shows how an important change in the principles of wage adjustment may arise out of the arbitration method, in this case the development of the "philosophy of high wages" which has received so much attention in the last few years. Mr. Soule himself played no small part in the hammering out of the arguments which were finally summed up in this philosophy, as the reviewer can testify from first hand experience of those arguments as heard from the other side of the table.

A number of uses suggest themselves very readily for such a collection of material as this. Its value is obvious for university classes in the labor field, for adult discussion groups and for those who are directly interested in the technique of arbitration through the ever imminent necessity of its use.

F. A. SILCOX\*

**Note**

The Plant Engineer's Club, 25 Tremont Temple, Boston, representing twenty-five of New England's largest industries, has recently, through intensive committee work, done an excellent job in working out a Plant Engineer's Code. This should be of great assistance to managements in defining the responsibilities of plant engineering departments, and it has now been made available by the Club in reprint form at 25c a copy. It was published in the January and February issues of *Industrial Engineering*.

\*Director, Bureau of Industrial Relations, New York Employing Printers Association, Inc., New York.

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