

"Arbitration in labor disputes is never untimely" (p. 237). Further, one gathers that if the "Reds" don't like it here they should go back to Russia, that those who believe the Sacco-Vanzetti case was a miscarriage of justice are probably "Reds" or at least "Pinks" and that the police and other officials seldom or never initiate violence in labor controversies.

P. F. BRISSENDEN\*

*Union Management Co-operation on the Railroads.*

By Louis Aubrey Wood, Yale University Press, New Haven, 1931, pages xii, 320.

If one can ever believe a jacket, this painstaking survey is intended "for employing companies and employees who may desire to establish their industrial relations on a more effective . . . foundation." The treatment is probably a bit too scholarly for exactly those audiences and is rather to be recommended to students of co-operation, graduate school grade. Mr. Wood covers scrupulously what the title indicates and overflows that limit only for eleven pages where he sketches cases of co-operation in other industries where employees are organized.

Most of the book, of course, tells of the co-operation in the mechanical departments of the Baltimore & Ohio Railroad, Canadian National Railway Company, Chicago & Northwestern Railway Company, and the Chicago, Milwaukee, St. Paul & Pacific Railroad Company. The first of these railroads has extended co-operation to two other branches; transportation and maintenance of way. The second has spread it to the department of maintenance of way and structures. A later chapter tells of the Mitten Plan and that of the London, Midland & Scottish Railway. A few pages are devoted to the narrative of the inception of American co-operation in railroad—work largely of William H. Johnson, Otto H. Beyer, Walker D. Hines and Daniel Willard.

Mr. Wood is obviously convinced that this co-operative work is paying in material returns as well as social, but he avoids the error of attempting to prove it statistically. He muses quite at length on the science of measurement of such intangibles. And he has also severely limited testimonials. Probably the writer was faced with a difficulty due to the fear of the employer that his statement of approval might be promptly used as a lever for some concession. This difficulty of evaluation should exist only in the transition from bargaining to factual approach, from a partial to a complete comprehension of the nature of co-operation and of the aims of the other co-operating party.

Of particular interest is the joint effort to stabilize employment. Here is a series of instances where, without any dominating leadership such as that of Col. Proctor and Mr. Dennison, the several huge railroads have proceeded to do enormously valuable work on stabilization.

Is not this the lesson: that co-operation begets an effective incentive to stabilize? Most employers believe that

\*Assistant Professor of Economics, Columbia University, New York, N. Y.

the advantages of stabilization are all for the workmen. It was not so long ago that they believed that a large pool of unemployed was a good thing for them. But in the cases cited we find that the steady insistence of employees working through recognized channels has caused the management personnel to realize that here and there they can have an effect upon the problem; can get better co-ordination between purchasing, manufacturing and cost keeping; can relate plant with plant in order to give their employees steadier work.

It seems to come only as a mild surprise that all this good-natured yielding to the importunities of the union membership has netted them a better use of their equipment, a better turnover of raw material, purchasing at lower prices, more effective use of the supervisory staff, smaller loss on labor and material through training green help, and less dissipation of skill and moral fiber.

The book is clearly expressed and puts the reader pleasantly in touch with the necessary vocabulary and many interesting practices of the repair and maintenance of way divisions.

FRANCIS GOODELL\*

*Psychology in Modern Business.* By Harry Walker

Hepner, Prentice-Hall, Inc., New York, 1930, pages xv, 728.

The trend of thought which led to this book had its inception in the observation of Professor Hepner that less than one per cent of the college students who enroll for a course in elementary psychology ever continue the study of psychology as their life work. Nearly all of them enter business or some other occupation where psychology is a means to an end rather than an end in itself.

For these, and for business men who have tried with scant success to dig helpful facts from theoretical text books, Professor Hepner has written his book. In it he presents in popular fashion several of the more important experiments in applied psychology. Because these do not cover the whole field, he records entertainingly a great many observations and generalizations about human behavior in business which have not yet been experimentally verified.

To those interested in scientific management, Professor Hepner's chief service has been to describe in workable detail some of the simpler psychological research "tools." For instance, there is the technique of ascertaining the probability that a numerical difference between averages indicates a real difference. This is something which should be familiar not only to management engineers but to executives who are trying to decide whether the apparent improvement due to a changing policy is real or only a chance variation.

There is much good factual material in the book. It is to be hoped that the sugar-coating process with which

\*Industrial Engineer, Naumkeag Steam Cotton Company, Salem, Mass.

Professor Hepner has sought to bait his sophomores will not lead his more mature readers to discount the underlying data.

L. R. FRAZIER\*

*Budgetary Control in Manufacturing Industry.* By the National Industrial Conference Board, Inc., New York, 1931, pages xiii, 180.

This book is in the nature of a report of a survey made by the Board in the summer of 1930 to determine "(1) the extent to which the manufacturing industry of the United States had adopted methods of budgetary control, (2) the methods adopted, and (3) the results obtained." Data were collected from 294 companies representing 76 industrial groups. The companies selected all had a value of production for 1927 in excess of \$100,000,000 and an AAAA credit rating. These data were supplemented by, and evaluated in the light of a careful study of existing literature on the subject as evidenced by frequent accredited quotations from well known authors in the field. The quotations, however, are short and well chosen so that the impression of too much quoting is not created.

The style used is simple and direct. Explanations are brief and the authors pass quickly from point to point so that the book is well written for the use of the busy business executive.

The book traces the budgetary control movement from its beginning in municipalities, through state and national governments and finally into industry. The application of budgetary control to industry is discussed in relation to benefits to be obtained, scope of budgets in industry as a whole, and the difficulties to be overcome.

A chapter is devoted to the preparation of a business for budgetary control. This shows the place in the program of forecasting trends, market analysis, good accounting practice, standards and standardization and proper organization. Another short chapter deals with the procedures followed in establishing the underlying estimates.

The detailed structure of manufacturing budgets is then presented under the following headings: (1) sales budgets, (2) production budgets, (3) expense budgets, (4) capital outlay and cash budgets, (5) budget summaries, or estimated profit and loss statements and balance sheets.

A chapter which outlines methods found, extent of use, and results obtained is devoted to each major group. This is followed by five appendices on special topics related to the survey.

This book has the advantages and limitations of any book based principally on a survey. It has a breadth of viewpoint which might be expected from a study of a large amount of the experiences of others, and for that reason lacks somewhat of the depth and enthusiasm of a treatise written by an author from his own experience in the work. The description of detailed methods is apt to be brief and cursory. This is especially true of the discussion of the use of graphical charts. The examples are

\*Personnel Department, The Kroger Grocery & Baking Co., Cincinnati, Ohio.

taken from few sources and but a few types of such representation are mentioned.

The study, however, accomplishes its purpose in an admirable way. It gives a thorough factual analysis of the present practices in budgetary control as used by some of our leading industries, points out the advantages to be gained, warns against the pitfalls of poor practices and gives encouragement to further development. Little of this information is new since there has been so much literature written based on individual cases. The summary of a large number of such cases is well worthwhile, however, and this book should be a valuable aid to the business executive who wishes to check his progress against the position of industry in general in the matter of budgetary control, or to get a summary of the experiences of others before starting on a budgetary program of his own.

FLOYD F. HOVEY\*

*Marketing Principles.* By John Freeman Pyle, McGraw-Hill Book Company, New York, 1931, pages xiii, 565.

The author has presented in this book a most comprehensive analysis of the marketing function. To those business men who are face to face with a specific marketing situation in their daily work, the description of this activity as it is carried on in other fields should be very interesting and instructive.

The scope of this book is very broad and this has of course made it impractical for the author to deal with all the possible problems and types of marketing in full detail, but there are few if any important phases of the subject that are not at least mentioned.

Considering the controversial nature of many of the subjects, such as installment selling, chain stores and co-operative marketing associations, the author has been very successful in keeping free from injecting his own views into the subject matter. It is very evident that it has been the desire to set forth the facts regarding past and current practices, and to leave conclusions to be drawn by the reader. The only time the author has permitted himself to depart from this disinterested and historical method of treatment is in the closing chapters, where he sets forth the need for a more scientific approach to the analysis of marketing problems.

The arrangement of the material is logical and the typography is good. It seems to the writer, however, that the use of more illustrations in graphic form would have materially assisted the reader in absorbing the main points developed. A very valuable contribution of the author is the reference that is made to a large number of bibliographical sources on the various subjects.

To those critics who find it easy to orate upon the "high cost of distribution," this book is particularly recommended. No one can read it without reaching the conclusion that most of the functions now performed will always have to be performed in one way or another. To

\*Industrial Economy Department, Eastman Kodak Company, Rochester, N. Y.