

business cycles. Naturally the impress of these further studies are manifest in a fuller and more accurate exposition as well as a greatly improved style.

Mr. Martin, after due consideration, accepts the good old economic doctrine that general overproduction is impossible when means of payment in commodities is meant; but he thinks that general overproduction can and does exist when means of payment in money is meant.

His main thesis can best be expressed by a quotation:

The question with which this study is chiefly concerned is whether or not there can be a general deficiency of purchasing power. . . . Usually, in the literature on the question, what is here termed a "general deficiency of purchasing power" is referred to as "overproduction" or "underconsumption." The expression "overproduction" is sometimes objected to by reason of its implication that all the needs of the community have been met. "Underconsumption," the term inserted to replace it, is not altogether suitable, as laying emphasis on the consumption of goods rather than upon their purchase. The phrase "deficiency of purchasing power" is used in preference to either of these two terms inasmuch as it brings out the essential point that goods have to be purchased, and that for this purpose "purchasing power"—money in its various forms—is required. (p. 3)

The author holds that although a fundamental tendency to equilibrium exists between goods for sale and purchasing power, this equilibrium is often upset by: (1) additions to or deductions from working capital, leading respectively to deficiency or superfluity of purchasing power; (2) voluntary additions to or deductions from the money value of commodity stocks held by industry, causing respectively a superfluity or a deficiency in purchasing power; (3) additions to or subtractions from the quantity of money in circulation, causing respectively a surplus or a deficit in purchasing power; (4) wages paid before and dividends paid after the sale of products, causing respectively surplus and deficit in purchasing power.

Disequilibrium between purchasing power and goods for sale causes price inflations and deflations which are accompanied by "booms" and "busts" in business.

To prevent these ups and downs in business, purchasing power must be kept stable. Central banks cannot be expected to maintain stability of prices, exchanges, finance, and business, with only open-market operations and changing of the discount rate to work with. A necessary additional measure is long-term planning of public works in all countries. International action is suggested to reduce the gold-reserve ratios, against note and deposit liabilities which are now required by law. The author vaguely suggests that the International Labor Conference should adopt a Draft Convention "providing for the maintenance of purchasing power as a means of reducing unemployment," but no hint is given as to how such action could be made effective.

The author pauses at frequent intervals to review and summarize the steps already covered by him in the development of his theses. This is an excellent plan, but there can be overproduction of repetitions and summaries as well as of wheat, rubber, autos and every other good thing. The book would be less wearisome to the reader and quite as intelligible had the author exercised more control over his summarizing capacity.

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The Menace of Overproduction—Its Cause, Extent and Cure. Edited by Scoville Hamlin, John Wiley & Sons, Inc., New York and London, 1930, pages x, 202.

In "The Menace of Overproduction—Its Cause, Extent and Cure" the editor offers a cross-section of expert opinion both comprehensive and authoritative.

Stuart Chase, in the foreword, commends the use of the symposium form of presenting facts and suggestions for constructive action in this matter of overcapacity and unemployment.

In carefully prepared chapters competent authorities, representing the several industries (coal, petroleum, cotton, wool, silk, rayon, radios, steel construction, etc.), describe the faulty conditions and the difficulties in each, and offer suggestions tending to a solution. The position of our agriculture is discussed from two points of view; also the influence of advertising, our present-day place in world commerce, wastes inherent in too small-scale operations, and the growth of industrial and financial units are discussed in other chapters.

Dr. Virgil Jordan's treatment of "Overproduction and Business Organization" and Dr. H. S. Person's "Management and Overproduction" are chapters which will be read and re-read by the careful student of present-day trends.

In this mass of evidence are contained the facts which indicate the direction in which industry's leaders must move to effect permanent improvement.

Many causes, in cumulation, have led to the present-day condition. Although each contributor to Mr. Hamlin's symposium writes from his own background, a most interesting agreement on the nature of the handicaps and difficulties and on suggestions corrective therefor, runs through the writings of all of the contributors. In his final chapters the Editor presents more evidence of his own and draws a comprehensive summary of the constructive proposals of the contributors. In these chapters there are developed the ideas (among others) that the cost of upkeep of capital is being neglected in present-day prices with an unsuspected bad effect upon true income; that the conservation of natural resources is no longer a question of altruism but is one of absolute necessity if higher and higher standards of living are to be enjoyed by the peoples of the world; that no longer do the tariff, direct taxation, profits, or corporations serve as brakes and governors upon the rate of industrial expansion.

Among the contributors are C. E. Bockus, President, National Coal Association; E. P. Salisbury, Statistician, Standard Oil Co.; Henry P. Kendall, President, The Kendall Company; A. D. Whiteside, President, The Wool Institute, Inc.; Thomas B. Hill, President, The Silk Association of America, Inc.; John E. Bassill, Vice-President, Tubize Chatillon Corporation; Dr. O. E. Baker, Senior Agricultural Economist, U. S. Department of Agriculture; Dr. J. G. Lipman, Director, New Jersey Agricultural Experiment Station; Herbert H. Frost, President, Radio Manufacturers Association; Charles F. Abbott, Executive Director, American Institute of Steel Construction; Henry Chalmers, Chief, Division of Foreign Tariffs, U. S. Department of Commerce; Paul H. Fassnacht, President, Rudolf Mosse, Inc.; Sir Henri Deterding, Royal Dutch Shell Co.,

Paul T. Cherington, Director of Research, J. Walter Thompson Company; Francis H. Sisson, Vice-President, Guaranty Trust Company; Dr. Virgil Jordan, Economist, McGraw-Hill Publishing Company; Dr. H. S. Person, Managing Director, Taylor Society, New York.

H. V. R. SCHEEL²

Racial Factors in American Industry. By Herman Feldman, Harper & Brothers, New York and London, 1931, pages xiv, 318.

No one who is interested in problems of human relations in industry, whether these relations are between the manual workers of one race and those of another of the same color, or between the black race and the white race, the oriental and the occidental, or in the relations between manual workers and the representatives of the owners, can read Professor Herman Feldman's book on "Racial Factors in American Industry" without having his interest stimulated and his knowledge greatly broadened. Or even if the reader should have slight knowledge of industry and should his experience be largely in other fields of human activity, still would he be stirred deeply by the pictures which Mr. Feldman draws of the deep, irrational, and bigoted prejudices of the dominant races toward the so-called inferior races.

It would seem as if 190 closely written pages, giving most profuse and detailed information about the complexities of all kinds of human relations in industry would exhaust the reader and cause his interest to slacken. The very opposite is true because there is such a store of the most significant and disturbing information in Mr. Feldman's book that to the socially conscious reader every page is important and stimulating.

The second part of the book which suggests remedies is not only very helpful in suggesting approaches to the solution of the problems between races in industry but, because of the unusual insight of the writer into human maladjustments, much of his discussion can be used to advantage by the personnel departments of any business to include every problem of human relations. It is a temptation to quote freely from such an important book but I must confine myself to two as follows:

"The personnel department in a plant, according to the best current conception, is primarily an educational agency in matters of labor relations. It is its duty to administer the agreed-upon procedures in recruiting and maintaining a labor force so that efficiency may be obtained; but if it cannot influence the policies of the concern to the extent of improving its attitudes toward labor and reconsidering the established practices, it has missed its distinctive function. If the attempt has not been made, the personnel manager is an unimaginative or ineffective routineer."

"The winning over of that skeleton group of lesser executives, superintendents and foremen, who for most practical purposes decide the conditions under which the mass of the workers shall labor is the *sine qua non* of further progress. Without the co-operation of this group, a plant

²Vice-President, Botany Consolidated Mills, Inc., New York,

policy does not function, whatever may be the theory of the matter in the mind of the chief executive or board of directors."

Not only can this book be used to great advantage as a text book in the handling of conflicts between different races in industry but chapters eight and nine will be particularly helpful to those owners who wish to develop democratic policies of all kinds within their plants.

Of all the books I have read on human problems in industry this has been the most stimulating and has come closest to my own fourteen years of experience in an attempt to develop complete democratic government, in fact, complete workers' control in the plant of the Columbia Conserve Company.

W. P. HAPGOOD³

Management Problems. (With Special Reference to the Cotton Textile Industry.) Edited by G. T. Schwenning. The University of North Carolina Press, Chapel Hill, N. C., 1930, pages xiv, 264.

The papers by Mr. Henry P. Kendall, of The Kendall Company, Boston, alone make this book worth while. His enthusiasm for scientific management and the excellent illustrations of his applications of these principles to the company under his control show what can be done in a rather disorganized industry. Other papers, principally those of Mr. Bernard M. Cone, of the Proximity Manufacturing Company, and Professor C. T. Murchison, of the University of North Carolina, discuss some needed changes.

This book, conceived perhaps as a missionary enterprise, can be listed as further evidence of an "awakening South." In this case it happens to be a South awakening to the influences and possibilities of scientific management. The content, too heterogeneous for treatment in a review and in part only of general interest, consists of a series of addresses delivered, at the University of North Carolina during the academic year 1929-1930 and was designed especially for and presented to the University of North Carolina Student Branch of the Taylor Society.

JOHN J. HABER⁴

Studies in the History of Statistical Method. By Helen M. Walker, The Williams & Wilkins Company, Baltimore, 1929, pages viii, 229.

As the title indicates, Dr. Walker's book does not pretend to offer a systematic text on the historical development of mathematical statistics. It comes closer to being a collection of bibliographical notes on the contributions to mathematical statistics by the English biometricians under the leadership of Karl Pearson and his disciples. As such the book is an excellent compendium to the earlier texts on the history of the theory of probability by Todhunter and Czuber. But preciously little is said by

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⁴The Inquiry, New York, N. Y.