

quantitative adjustment becomes difficult in a regime of private property. Competition at various levels tends to introduce conflicts which Mr. Tipper sums up in two expressions—"producer versus producer" and "producer versus consumer." Competition within the same industry is declared to be healthful. Competition among different industries is subjected to an analysis in which the distinction is made between industries which depend upon special privilege of one sort or another, to which he gives the name "non-basic" industries, and "basic" industries, which require no aid from tariffs, franchises and the like. At this point Mr. Tipper arrives at the conclusion that the root of our economic evil lies in the rapid development of non-basic industries fostered by national aspiration (p. 84). Many economists and students of international affairs will agree in part with his conclusion, though by different processes of reasoning. In discussing the conflict of the producer versus the consumer he finds the cause of the business cycle to lie in the inflation of values caused by human greed and selfishness. The remedy he perceives in "the creation of mutuality between the supplier and consumer" (p. 104).

"The New Challenge to Distribution" is a thought-provoking book, though not a convincing one. It suffers, as all of our diagnoses of present difficulties have suffered, from the fact that it deals in generalities at a time when we are vitally concerned with a situation which requires concrete and practical action. One might agree with Mr. Tipper that greed and ignorance are responsible for the difficulties in which the world finds itself and for the problem of distribution, but at the same time he might be skeptical about the chance that greed and ignorance will pass out of the world in the foreseeable future. One may call, as Mr. Tipper does, for co-operation and planning in order to adjust the business structure and its functioning to the basic objective of satisfying consumer wants; such call in general terms gives emphasis but not enlightenment.

HARRY R. TOSDAL¹

Preisvorbereitung (Pricing). Von Ed. Michel (member of the Taylor Society). Alltreu G. M. B. H., Verlags-Abteilung, Berlin-Wilmersdorf 1, 1932, pages vi, 115.

It seems to be a growing practice in Germany for authors to write short books, especially on technical subjects. At any rate, among the hundred-odd German books and pamphlets which the reviewer brought back with him after three months spent in Europe last summer, hardly one is of considerable length. Perhaps this practice is due to the need for cutting down the cost of publication; in all events, it results in clear and succinct exposition of the chosen subjects, and is a boon to the busy reader.

Michel's book, "Pricing," is an admirable example of brevity. In 115 pages, the author presents a concise and well-balanced picture of the fundamentals and techniques of his subject. He has arranged his material so well in the five parts into which the book is divided that he has found space for the insertion of fifty illustrations of faultless character which serve to clarify his reasoning.

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As though he feared that the reader might nevertheless fail to comprehend his thesis, Michel has included in the last part of his book a critical review of its contents which ought to be of material aid to the reader who is not sufficiently qualified along technical lines readily to grasp what is spread upon the pages of the book.

Michel not alone is a successful consulting engineer with wide experience in several European countries, but he has a flair for philosophy. And so, the first part of his book is devoted to a discussion of fundamentals; his point of departure is a reference to the beginnings of human society. Michel traces the process of determining values involved in the cycle of labor and consumption, and indicates the necessity that faced mankind of creating at least as much wealth as it consumed. He refers to the rhythm of the flow of values through their various transformations and points out that when society advanced to higher levels of development, and markets, as such, came into being, measures of value had to be devised for facilitating exchanges. It was then that the process of calculating prices as expressions of value was initiated.

As conditions became more complex, external influences upon the rhythm of values grew in importance and the increasing number of variables tended to cause greater and greater interruptions of the rhythm. Today it is impossible to conceive of undertaking processes of production without the use of definite measures of value as a basis for intelligent pricing.

So much for Michel's general approach. In the second part of his book he discusses analytically the composition of costs, segregating the various elements according to the factors of quantity and time. He dwells upon the need for differentiating between the concepts of cost and price, and stresses the tremendous (*riesengross*) problem caused by the influence of fixed costs in times when the volume of production decreases. He then goes into a description of the records, accounts and methods of distribution which he has developed for pricing purposes and discusses some very technical features involved.

In the third part of his book, Michel presents his views respecting what might be termed the synthesis of pricing. This part is so "meaty" and much of the material is so new, that only a reading of it can convey a full appreciation of the fundamental points made. It is interesting to note, however, that when discussion of total costs and their control is reached, the author advocates the Gantt technique and visualizes also the "breakeven" or "cross-over" charts with which American students of business economics are so familiar.

In the fourth part of his book, Michel discusses what he terms "die dynamische Disposition" (literally, the dynamic measure). By this expression he means to convey the thought that in modern business there is a daily or an hourly need for the analysis and determination of changing elements in the pricing process. Materials, work performance and the problems of organization involved in adhering to the time factor of accomplishment, all have an important bearing upon the pricing process; the numerous illustrations prepared by the author serve to indicate the techniques upon which he lays stress.

A questionnaire containing thirty reading questions which in the author's judgment constitute a basis for appraising the efficiency of existing accounting and pricing methods, is in-

cluded as a part of the last section of Michel's book. It is an interesting example of the technique employed by a German consulting engineer in judging the effectiveness of an organization he is called upon to serve.

"Pricing" is a book which can hardly be described as easy reading, even presupposing complete familiarity with the German language. The author's style is clear and crisp, and he has taken great pains to make his subject comprehensive. But his material is technical throughout and, as modern German has in recent years had to absorb an immense number of new terms created largely by the huge changes which have taken place in industrial practices, this reviewer found it quite a chore to prepare the discussion which is here presented. However, the fact that the author and the reviewer coincidentally spent six years as students in one and the same Ober-Realschule in Kassel, Germany, more than a generation ago, induced a special interest in undertaking the desired review.

Michel has made a sound contribution to the literature on "Pricing" and it is really a pity that so few American students will be able to straddle the language barrier and so derive the full benefit of his work.

HARRY ARTHUR HOFF²

How to Stop Deflation. By Professor J. Goudriaan, (member of the Taylor Society), The Search Publishing Company Limited, London, 1932, pages 32. (6d)

This pamphlet by one of our members outlines a method for stabilizing gold value in terms of goods, by means of open-market operations of circulation banks in the commodity markets, in accordance with the formula: 1 kg. of gold—the sum of the fixed quantities of raw materials.

This brief critique of our present monetary system, like so many plans offered as solutions for admitted evils, is in itself open to many criticisms.

How Workers Find Jobs. By Dorothea De Schweinitz, University of Pennsylvania Press, Philadelphia, 1932, pages 199.

There are certain everyday events of life which never are without their element of mystery, such as how people discover their life-mates, how they decide on their vocations and how they actually find their jobs. Miss De Schweinitz has selected the last two of these for detailed study. The setting is Philadelphia, the time the now relatively prosperous year of 1930, the trade the full-fashioned hosiery industry, the participants are some 4,000 workers in eleven union and seven non-union mills, and the method is a somewhat inquisitive questionnaire, with its inevitable by-products of human interest. The book is factual, analytical, statistical, yet it is written with insight and with a certain charm. Miss De Schweinitz states that the job of the full-fashioned hosiery worker "is fraught with interest and excitement," and she makes us feel it. The high wage of \$50 or \$60 a week that existed previously, the skill required, the clean, neat jobs, the dependence upon individual effort, and possibly too, the pleasure of contemplating the

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smart result, are among the factors which make us well believe why bright-eyed applicants at junior placement services sometimes state their vocational preferences as "aviation or hosiery."

The statistics gathered substitute facts for opinions. Aid from friends and relatives in 58 per cent of the cases, personal application at the mills in 22.5 per cent, sallies to employment agencies, and a variety of other means are the ways by which workers found jobs. When industry was good the process was merely fatiguing and inefficient; more recently, as the industry has had to readjust itself to severer competition and perhaps a permanently lowered demand, the search for jobs becomes a weary treadmill and a disheartening experience. But the study is more than a question of details of finding jobs. It is a broad treatise on the rise and development of a principal industry in the city in its prosperous decade 1919-1929; it explains the processes, the conditions of work, the present-day problems which the industry faces through competition for trade and internal division on matters of policy, the nature of the union in the trade and the characteristic of the workers engaged in the various occupations. The concentration on a thorough and detailed study of the practical possibilities of one industry in a single locality is the special contribution to the general problem of employment direction.

The methods by which workers found jobs, as was to be expected, were haphazard, unorganized, wasteful. Recommendations were inevitable concerning the need of a more systematic and efficient method, viz., the adoption of one or more employment exchanges. There is convincing evidence of the possible usefulness of an employment agency to a trade in such matters as studying the trends of the industry, controlling entrances and exits, aiding surplus workers, providing contacts with outside concerns, gathering accurate statistics, providing work tests in case of unemployment reserves, and many other services.

The study thus reveals the superiority of ordered vocational direction. The question remaining is how employers and employees and the public may be led to the point of establishing such an agency. Familiar difficulties are given consideration; the disagreement between the union and the non-union branches of the industry, the narrowly competitive attitude of at least a minority of employers, the unwillingness of the various parties concerned to grant the necessary authority to a joint or public agency. The situation reveals the old conflict between inertia and change; between the co-operative, planned economic processes which men conceive, and the chaotic, competitive methods which continue to exist.

HERMAN FELDMAN³

Men at Work. By Lewis W. Hine, The Macmillan Company, New York, 1932, pages 46.

Over fifty of Lewis W. Hine's photographic studies of men at work have been put in permanent and delightful form. I suppose that there are thousands who have been arrested by one or another of these satisfying works of art—and other thousands who know his name, fame, and the story of his insidious camera warfare during the early child-labor campaign.

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