REVIEWS

Factory Organization and Administration. By Hugo Diemer, Consulting Industrial Engineer, New York. McGraw-Hill Book Company, 1921; 3d Edition, XV, 398 pp.

This third edition of one of the most widely read treatises on factory management includes both a revision of the material contained in the second edition and certain new material. The new material largely covers phases of general industrial organization and personnel work.

As a general text on the subject of "Management", surveying the whole field, this book contains much which is of value. Clarity is one of its best characteristics. The text is not controversial in nature, and there is much to command in the style and the illustrations.

The present edition, like its predecessors, very largely centers around the operations of foundries and machine shops. There are special chapters on the drafting department, the pattern department, foundry systems, and the machine shop and tool department. Although much of the material contained in these chapters is of value to the executive of any factory, it is unfortunate that the illustrations of management methods have not been drawn from a wider range of industries.

It would seem that more care might have been utilized in the revision, to more exactly dovetail the new material with the old, as throughout the book the reader must draw his own relationships between the various chapters. This is particularly true in the development of the two chapters on Cost Accounting, which are widely separated and clearly overlap.

Much of the system recommended may be thought to apply to large plants only, particularly as regards the personnel system, a description of which is new with this edition. There is a frequent tendency in the book to over-emphasize a means of attaining the end, rather than the end which is sought. Thus there is little management philosophy in the text, except some very valuable quotations from Dr. Taylor. The man in the small plant must watch this carefully, lest he become confused.

An extensive bibliography is included. There are also references to these books at the end of all chapters. The book is most useful as a reference work for either the industrial executive or the student of Management in engineering schools or schools of commerce.

R. H. LANSBURGH.

Labor Terminology. Bulletin No. 25. Bureau of Business Research, Graduate School of Business Administration, Harvard University, Cambridge, 1921.

Any sincere and serious attempt at definition in the field of labor terminology is worthy of commendation. Misunderstandings due to vocabulary are many and are the more energy-consuming for being so unnecessary. It is for this reason that the professed restriction of the purpose of the present Bulletin will be regretted by all who are interested to see the entire field of industrial administration subject to definition. "This bulletin," says its foreword, "does not aim to present the viewpoint of employers or unorganized labor, but to give definite meanings to terms used by labor union members in order to assist employers and prospective employers to understand the organized labor point of view."

This limitation, however, is not consistently adhered to, as many words are defined which must occur but rarely in the trade unionist's vocabulary and when they do it is doubtful if they always have the meanings here assigned.

Take the phrase "Individual Bargain" concerning which the definition reads in part: "This method is the opposite of collective bargaining whereby the conditions are fixed by an agreement between the employer and the employees acting as a unit." This statement ignores the vital distinction in law and fact between the individual bargain, individual contract, collective bargain and collective contract, which are four quite different things. And one of the first differentiations to keep clear is that a collective agreement is *not* a contract, and that under a collective agreement the contract is still made individually with each employee—but on terms set forth in the collective agreement.

The definition of "Management" seems also not to have profited by the discussion of recent years; for it is dismissed with this equivalent: "administration of an industrial or commercial enterprise," which is satisfactory only in a rough and ready sort of way. That there is a genuine difference between management and administration is being increasingly recognized today.

The phrase "Open Shop" is much on everyone's lips and the explanation of it here is straightforward and unevasive. The difficulty is rather with the facts which are too complex to fit into one simple category. Professor Seager in *The Survey* has recently differentiated six or seven types of shop. The New Jersey Chamber of Commerce (New Jersey, Vol. VIII, No. 2) suggests that there are nine divisions into which union and non-union shops should be classified. Would it not have been well to have stated these finer distinctions?

The "Shop Committee" idea is clearly set forth and usefully demarked from "Collective Bargaining." The definition of "Capital" is excellent. And the inclusion of actual illustrative data is invaluable. More of it could advantageously be included. One can less confidently discuss the omissions, since the principle underlying the selection of terms is not altogether clear. All that can fairly be said is in the direction of expressing a hope that in a second edition the Bureau will see fit to extend its field and clarify the statement regarding many more matters of interest to industrial and personnel managers as well as to trade unionists. An excellent beginning has been made; and if now the Bureau could send this Bulletin to one or two hundred representative people for their comment and criticism, a second printing would go far toward giving us a real Century Dictionary of Labor.

ORDWAY TEAD.

The Wage Curve. By Garet Garrett. New Republic, Vol. XXVII, No. 342, June 22, 1921.

A study of real wage and price curves shows that while prices go up and down repetitiously, with no permanent tendency, wages tend always to rise. When prices swing up, wages, although they may lag, invariably follow. When prices collapse, wages although they at the same time react, invariably remain higher than they were before, and from this new level go up again with the next upward price swing.

Business seems again to have forgotten that improvement in the standard of living has been because it is humanly impossible to liquidate wages. Business has called upon the wage-earner to practice self-denial when profits have tended to disappear, but the exhortation has been wasted. Having lived better, people will go back so far but no farther.

Hitherto liquidation has taken the form of making the higher-priced labor more productive, either by the exploitation of abundant natural resources or by mechanical inventions. This was particularly true following the Civil War, but can it be the case following the recent World War? It seems that the corresponding liquidation must be found in foreign commerce and in more efficient technical management. There seems to be no sign of the Congress desiring to promote the one or managers the other.

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