

than in any blanket criticism of the methods employed by the seventeen states which by the beginning of 1939 had laws regulating industrial homework.

In advocacy of a new approach the author holds that "future homework laws to be beneficial to all concerned should be drafted by persons familiar with homework administration and with homework conditions not only in crowded urban communities but in rural communities as well." Prohibitory statutes alone do not provide a solution for the homework problem. It is important to distinguish between conditions of homework which are desirable and those not desirable.

The lay reader will no doubt find himself distracted by the author's array of footnotes and references. Those who, on the other hand, welcome such details will be equally pleased by the extensive bibliography which appears at the end of the book.

AMOS E. TAYLOR

Washington, D. C.

PARMELEE, JULIUS H. *The Modern Railway*. Pp. xiv, 730. New York: Longmans, Green & Co., 1940. \$4.00.

Dr. Parmelee has been since 1920 the director of the Bureau of Railway Economics, Washington, D. C. Prior to that he was successively a member of the Yale University faculty, a railroad executive, and special agent and examiner of the Interstate Commerce Commission.

This volume is a condensed treatment of the present status and recent significant developments in the field of railroad transportation, with brief treatment of water and highway competition.

The treatment is statistical and analytical, and although it is written from the point of view of one who is an employee of the Bureau of Railway Economics, an organization of the Association of American Railroads, it presents and analyzes the conditions of railroads and competitive instrumentalities of transportation from a fair and constructive standpoint. The book is factual, and many figures and tables are used. To this commentator, such treatment is desirable because it tends to avoid oversimplification of the subjects con-

sidered and of the problems analyzed. It avoids the glib generalizations based upon inadequate data and spacious rationalization about economic problems, for which it should be praised.

The figures for 1937 have been used rather than those for later years, because railroad traffic and earnings in that year were greater than in any other year since 1930 and greater than in 1938 or 1939. References to 1938 figures are made in many cases, so that the data used are by no means antiquated.

Dr. Parmelee's position as Director of the Bureau of Railway Economics makes readily available to him data which would be more difficult for another to obtain, and his familiarity with these data makes possible a treatment which presents the situations and problems clearly without oversimplification and without the presentation of masses of undigested statistical data which might cause a layman to lose the perspective of the forest because of the trees. The references which follow each chapter are excellent. They indicate wide familiarity with the recent significant literature in the field of transportation economics, and should prove very valuable for the use of students who wish to study any of the subjects in greater detail.

Two excellent appendixes present digests of Federal railroad legislation from 1887 to 1939, and of Federal railway labor legislation.

G. LLOYD WILSON

University of Pennsylvania

HECKERT, J. BROOKS. *The Analysis and Control of Distribution Costs for Sales Executives and Accountants*. Pp. xvii, 420. New York: Ronald Press Co., 1940. \$5.00.

The title page of this book indicates that it has been written "for sales executives and accountants." That these groups will welcome such a book goes without saying. The current interest in distribution costs, stimulated by recent legislation, and by such studies as the Twentieth Century Fund's *Does Distribution Cost Too Much?*, has made Professor Heckert's book a "natural." It should provide both the information and the impetus for applying to dis-

tribution costs those measures of control which have become a commonplace in the manufacturing field.

Analysis occupies the first half of the book, successive chapters being devoted to analyses by territories, by commodities, by channels of distribution, by methods of sale, by customers, by size of orders, and by organization and operating divisions. The scheme followed is the so-called "functional" method, made familiar to students of the subject by the writings of Howard C. Greer and other pioneers in the field. Control depends on analysis, and the author shows in the second half of the book how analyses previously made fit into control devices over all classes of distribution costs—even over such jealously regarded items as salesmen's costs and advertising and sales promotion. The author shows how standards can be developed and how they, in combination with budgetary procedure, can be used by management to measure the productivity of distribution activities and the efficiency with which they are conducted. The last chapter is concerned with the relation of cost analysis to price-policy legislation.

The reviewer finds much to admire and little to complain about. The book is not recommended for its reading qualities, however. Although apparently directed at the trade, rather than to the academic market, its style and format are textbookish in the extreme, bristling with subheads and adorned by list after list of enumerated factors, points to be kept in mind, steps of procedure, and so forth. These features are doubtless a virtue in a book which is intended as a manual for practical use, but they destroy continuity of thought and any readability which might otherwise exist. As a possible college text the book is hampered by absence of problem material and a price which, though possibly not exorbitant, would make a teacher somewhat apologetic in prescribing the book for his students. With sorrow the reviewer notes numerous evidences of disregard for the niceties of the English language and of accounting theory. As an example of the latter, sales discounts are, without apology, called distribution costs, instead of being treated as aspects of the selling price. The

author clings to the unfortunate expression "gross profit" and even makes matters worse by distinguishing several successive stages of "profit" after various categories of costs have been deducted from "gross profit." Typographical errors are by no means absent, although not numerous.

After such picayunish complaints are done with, however, the appraisal of the book must be enthusiastic. It is crammed with information for everyone interested in all types of distributive activity. Illustrative material abounds, much of it developed by the author and much of it borrowed, with due acknowledgments, from publications of the Department of Commerce, the National Association of Cost Accountants, and others. The author reiterates the caution that all procedures are illustrative only, and that none would be likely to fit without modification any actual situation; nevertheless, this must be an invaluable source book for accountants and marketing executives, and a stimulus for further work in this most interesting field.

H. F. TAGGART

University of Michigan

CRUM, WILLIAM LEONARD. *Corporate Size and Earning Power*. Pp. xv, 418. Cambridge, Mass.: Harvard University Press, 1939. \$4.00.

According to the Foreword, "this is the first of a series of monographs on selected aspects of the general problem of monopoly and competition." The specific question to which Professor Crum addresses his inquiry is, "To what extent is corporate earning power related to the size of corporate enterprise?" The general answer to this question is stated in the following terms: "On the average, large enterprise—in all or nearly all broad lines of industry, and in different stages of the economic cycle—is more profitable than small enterprise, especially very small enterprise" (p. 7).

While the above generalization holds true for deficit corporations in the manufacturing division, for income corporations the "rate of return diminishes as size increases" (p. 58). The same tendencies are even more marked in the mining division (p. 170). The trade division shows a similar though less spectacular tendency (p. 196).