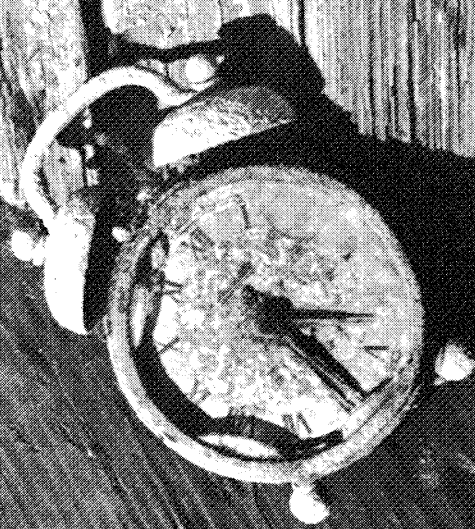


Winter, 1972

Dividend

The Magazine of the Graduate School of Business Administration



THE TIME MACHINE
Page 7

Dividend

The Magazine of the Graduate School of Business Administration

Volume III, No, 2

Winter, 1972

Let's Not Throw Anything Away! 4

Dividend interviews Mildred Loeffler, chief librarian, on how the library has grown since she began working there 25 years ago, and on the problems that face libraries today, including inflation, the burgeoning of periodicals, and the effect of technology on libraries.

The Time Machine 7

Our magical time machine, with the help of the Michigan Historical Collections, goes into the past to show you the campus many years ago, and travels back to the present, with the help of Stuart Abbey's camera, to show you the same scene today. How times have changed!

Management Education and the Executive Sabbatical 14

by D. O. Bowman

D.O. Bowman, Director of the Office of Management Education, describes some of the work of that office, the need for management education, and puts forward the unique concept of the Executive Sabbatical.

First Associates Seminar 17

Representatives of Associate Companies of the Graduate School of Business Administration participated in a seminar on campus in the autumn. The seminar dealt primarily with aspects of the American economy, and featured several present or former members of the President's Council of Economic Advisers. Participants also attended the Business Conference.

Among Ourselves 20

U-M graduate gets top business job. Paul McCracken returns. former professor Fred Black dies, the class of 1926 holds its 10th reunion, and Business School alumni get together from coast to coast.

The Business Conference 25

Pictures of some of the people who turned out for The Business Conference, which was attended by close to 600 participants.

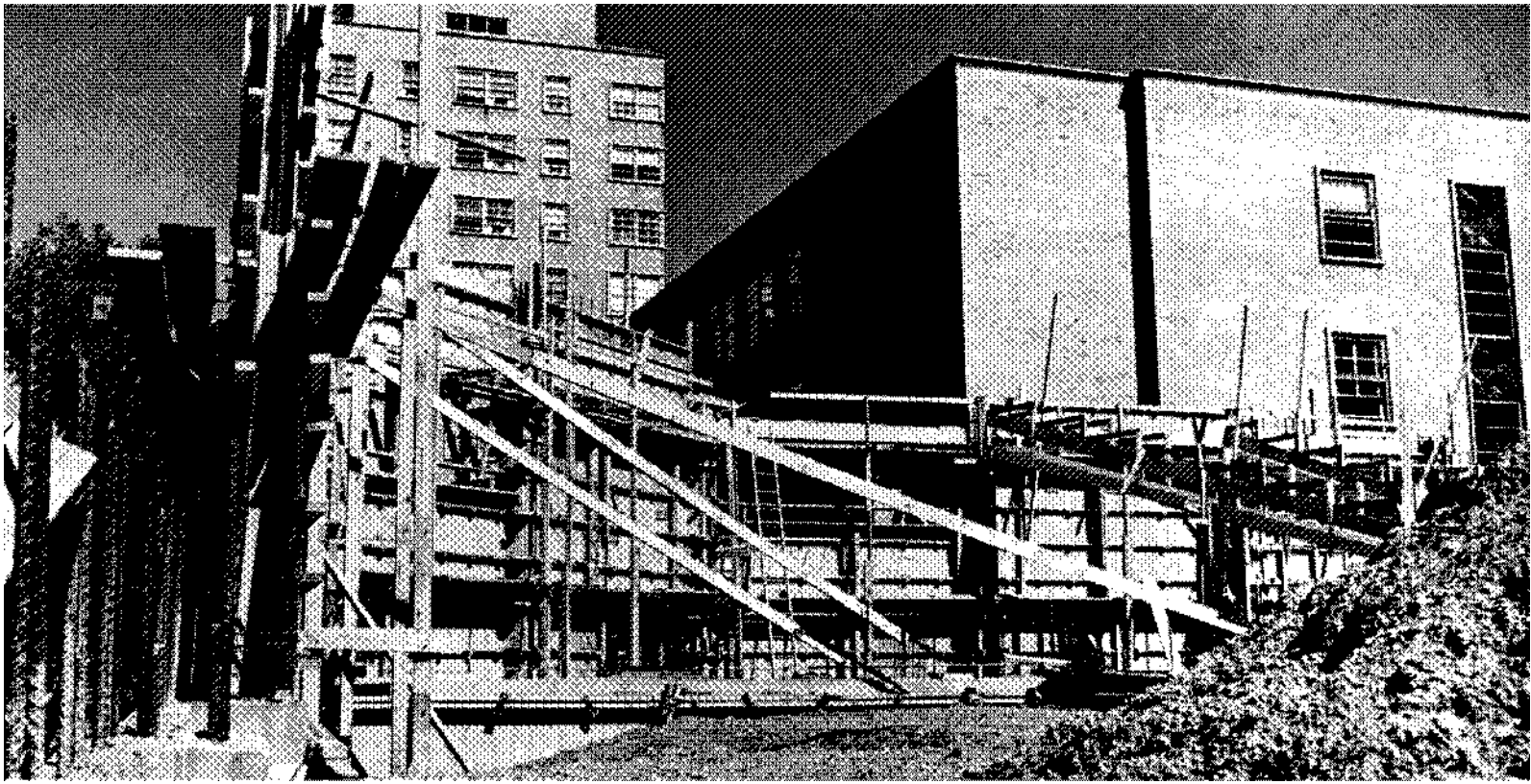
About the Cover

The cover picture is by Stuart Abbey, as are the pictures on pages 2, 3, 4, 14, 17, 18, 19, 22, 25, 26 and 27.

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Editor: Pringle Smith

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There's a little of the sidewalk superintendent in all of us. If you work at the Graduate School of Business, you can look out the window and see the Assembly Hall going up. First, groundbreaking. Then trucks and automatic shovels scattered around the vacant ground. Then a large hole in the ground. Workmen in the large hole. Cement mixers. The hole disappears and a wooden framework (pictured above) goes up. What's that for? Wait a while. Oh, it's the framework for the auditorium seats. Cement forms in place. More cement mixers. The auditorium seat tiers slowly appear in cement (see picture below left). And then one day in December you come to work and the steel is going up. Suddenly—quite suddenly it seems—the building is taking shape!

The Assembly Hall when completed will be used heavily in the School's residential management education programs (see page 14) as well as in the regular degree programs.

All funds for the new building were contributed to the School from private sources. No state or federal money and no undesignated gifts to the University will be used to finance construction of the building, which is scheduled for completion this year.



Let's Not Throw Anything Away!

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Editor's Note: During the 25 years Mildred Loeffler has worked at the Business School, where she is now chief librarian, the library's holdings have increased from 18,532 volumes in 1948 to 62,629 volumes in 1971. The book budget has grown from \$5,170 in 1948 to \$8,100 in 1960 and \$31,000 in 1970. Here *Dividend* talks with Miss Loeffler about the problems and challenges that face libraries today.

Have there been any changes in the demands made on the library since you started working here?

Yes. Every year, it seems, students are studying a little harder, going into their subjects deeper. This is something you can't get very precise about and measure scientifically, but it's a feeling we at the library have which we get from the depth of the reference questions students are asking. You get the feeling not only that they are going deeper into their subject, but also that they want to consider as many implications of the question as possible, so that the answers they are looking for are broader and more encompassing. Although our actual circulation has not gone up a great deal in the past year or two, we are doing more reference work to fulfill these needs of students.

When did the Business Administration Library begin?

When the School started—in Tappan Hall in 1924. The Library was under the direction of the Dean of the School, who decided the book budget, salaries, etc. I started work at Tappan in 1946 as one of three professional librarians. We were very crowded there, not only for book space, but also for reading space for students. We moved to this building on Labor Day weekend, 1948.

Is this Library considered part of the main University Library?

No. We are one of the four libraries on the campus which are

recognized as independent libraries in the Regents Bylaw⁷s. The other three are the Law Library, Clements Library, and the Michigan Historical Collections. According to my count, there are also 22 different libraries on the campus which are branches of the main University Library.

With so many libraries around, how is duplication avoided? And how would a student track down a book he wanted?

The main University Library—officially known as the Harlan Hatcher Graduate Library, has a central catalog which lists every book on the campus and tells where it is. When we make cards for books in our library, we make a duplicate set of cards for the main library catalog.

How do you choose which books to buy?

Our faculty is very library oriented, and we encourage them to recommend books we ought to buy. They are the specialists in their fields, and they also know which direction the curriculum of the school is going, which areas of research are being pursued in the Ph.D. program, etc., so we need their help. We will often send a brochure or a clipping about a book to a faculty member to ask if we should have that book. The answer very seldom is a simple "yes" or "no." Instead, the faculty member usually takes the trouble to comment—i.e., "We already have a lot in this area" or "I've read this and don't recommend it," etc.

Have the kinds of books you buy changed over the years?

Yes. The materials we have been asked to carry by the faculty have broadened in scope as the focus of the courses has changed. For instance, we are subscribing to a larger number

of journals in the field of psychology and social psychology rather than just to personnel journals. This reflects the change in focus in the industrial relations courses, although they are not by any means the only department in the School to want these kinds of periodicals. Another change has been in the types of books and materials the faculty may ask us to handle as reserve materials.

Like what?

Some of the marketing classes are using promotional materials that companies send out to their dealers. Some of these pieces are a bit difficult. For instance, one measured $5\frac{1}{4}$ inches by $\frac{3}{4}$ inches—not the easiest size to shelve. And you can't tuck these away somewhere in the basement—they need to be easily available. The faculty figures we will cope somehow and we will—this is part of our job and I'm glad the faculty feels that way.

Is this kind of faculty-library relationship typical of all libraries?

No. It can't be typical when a library gets over a certain size. In terms of money alone, the most economical way to run a library is to have everything under one roof—but you lose something when you get too big. Because we have a library right here in the building, students come here to study when they only have an hour between classes, which they probably wouldn't do if they had to leave the building to get to the library. And the close relationship between the faculty and the library is worth some additional money, I think. For instance, just the other weekend students were asking for a particular book that we did not have on reserve and were unable to identify. We called the faculty member at home, and it turned out he had forgotten to put it on reserve, but he could identify it so we could make it available immediately. And just a few days ago a student came in asking about a book that he insisted a faculty member had put on reserve. We did not have

it. We called the faculty member and he said, "I just mentioned it in class a half hour ago and haven't had time to get downstairs yet to bring it to the library." Very large libraries find it extremely difficult to give this kind of service, however much they would like to.

What is the hardest part of your job as a librarian?

Getting up the courage to throw things away. I am always asking myself what might this material mean to someone doing research 15 years from now? The response of librarians is to keep hanging on to material. I'm always very pleased when someone who is doing research in our library tells me, "I found everything I needed here."

Do you have any guides for acquiring or throwing out material?

Our guide is to try to supply most of the materials needed by the students and faculty of the School. Of course, they use the other libraries on campus also for supplementary materials. We see this library as a "working library" in the sense that we do not make an effort to specialize—to collect rare books or to collect ledgers of businesses for historical value, for instance.

How do you decide to throw something away?

You think in a series of steps. You ask, "Can I throw it away?" My answer to that is usually, "No." The next question is, "Should I get it on microfilm?" If the answer to that is no, because of expense or some other reason, then you have to ask yourself, "Can I afford the space to keep it?" Many of the decisions concern gifts to the library. Those we cannot use because we have enough copies or they are not in our area of interest are offered to other libraries. Lots of decisions center around back files of periodicals, especially those we have not bound and which are on the fringe of our areas of interest. If another library on campus is keeping a

permanent file of those periodicals, we may discard earlier years, but we try to save everything we have space for. I am pleased when we are able to help a library complete its file of an important periodical because of our "pack rat" habit of saving everything. It happens now and then. But periodicals are what really tax libraries these days.

Why?

There are *so* many new journals. We take at least twice—perhaps three times—as many periodicals as we did 20 years ago—and almost half of our book budget goes for periodical subscriptions. Part of the increase is that many new journals have been

"We take at least twice-perhaps three times as many periodicals as we did 20 years ago. Almost half our book budget goes for periodicals."

started, and part of it represents an expansion, or change of direction of faculty interest.

Can you give us an example?

Yes. In one category of interest-retailing—I am asking myself if we need to subscribe to as many retailing magazines as we do? It is not so much a matter of cost, because retailing magazines, since they take advertising, are not expensive to buy, but the expense of finding space for storage and keeping track of each item must be considered. Periodicals take up a great deal of space—and each year they take up more and more space. Also, they require more manpower to care for and check out and so forth, as there are many individual issues to keep track of, store, bind, etc.

Where is it going to end? Or are you going to be buried under piles of periodicals if things go on at the same rate?

The chief librarian at Johns Hopkins has estimated that if their main library goes on acquiring periodicals at the present rate, in 20 years they will be spending more to acquire and maintain their file of journals than they now have available for *all* books, periodicals, and everything else they buy in a year. Our situation is not that critical, but it does give one pause.

What can be done to alleviate this?

One method would be a cooperative arrangement where institutions can

share the storage burden. For instance, our library might store all the back issues of one periodical, and another library all the back issues of another, so that all would be available, but everybody would not have to store all of them. We would all need to keep up current subscriptions on periodicals, as the new issues are read by many people, but with good inter-institutional cooperation, we could eliminate many back files that take up enormous space.

Are there any ways technology can help with this problem?

Yes. Particularly if someone developed a sort of long distance Xerox. Then we could all really benefit from inter-institutional cooperation.

How would that work?

Suppose someone came in and wanted to see the March, 1951 issue of *Aviation Age*. We would look at

continued on page 16



This is the view from the Stuart Abbey
 (The view from the Stuart Abbey in 1870.
 The view from the Stuart Abbey in 1870.
 The view from the Stuart Abbey in 1870.



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Come with us into the past, when the campus was
 surrounded by a wooden fence* when there were posts
 in front of the Diag to keep the cows out* and when
 the University Hospital was located in the former house
 of a professor. Our magical time machine will show you
 what those days were like (with the help of the
 Michigan Historical Collections)* and then bring you
 into the present (with the help of Stuart Abbey's
 camera) to show you the same scene now,
 Above* the Diag in the 1870s*



Above: State Street at North University around 1870. The store on the left of the awning is Sheehan's Book Store. Note the wooden Indian in front of the store next to Sheehan's. The sign hanging in the trees says "Soda Water." The steeple in the distance belongs to the Methodist Church on the northwest corner of East Washington and State. (Photo from the Sam Sturgis collection.) *Below,* State Street at North University today. The church steeple is no longer there, as the old structure was condemned by building inspectors in 1938. However, the present building, completed in 1940, still houses the first Methodist church and occupies the site of the old church. It is set back from the street and obscured in this picture.

1904



Left, a student room about 1904.
Below, a picture taken of the Regents as they dined with President Hutchins at his home in December, 1910. Standing from left are Luther L. Wright (superintendent of public instruction), Shirley W. Smith (secretary), Walter H. Sawyer. Seated from left are Chase S. Osborn, George I* Codd, William L. Clements, Frank B. Leland, Dr. Hutchins, President-Kmeritus Angell, Junius E. Beal, Loyal E. Knappen and John H. Grant.

1910



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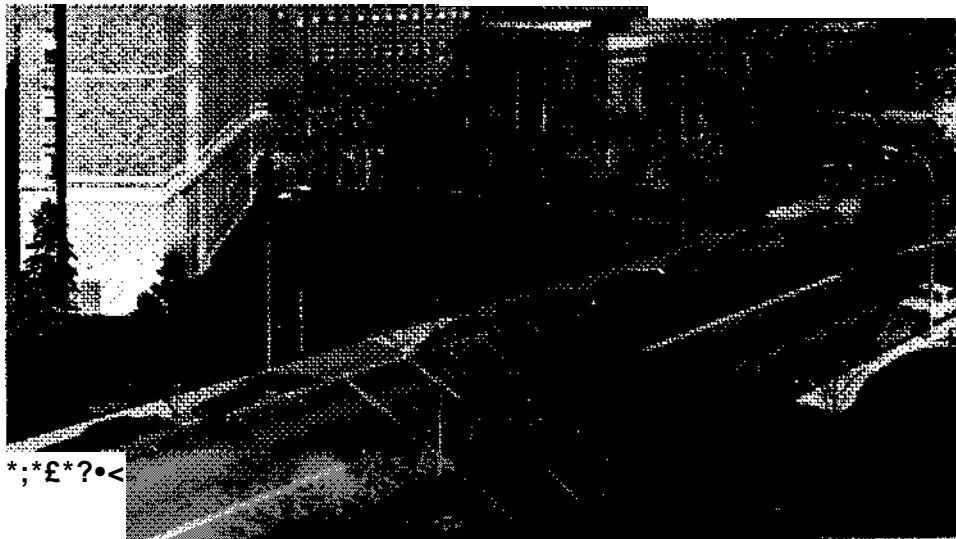
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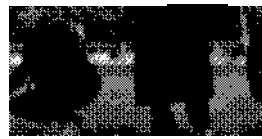


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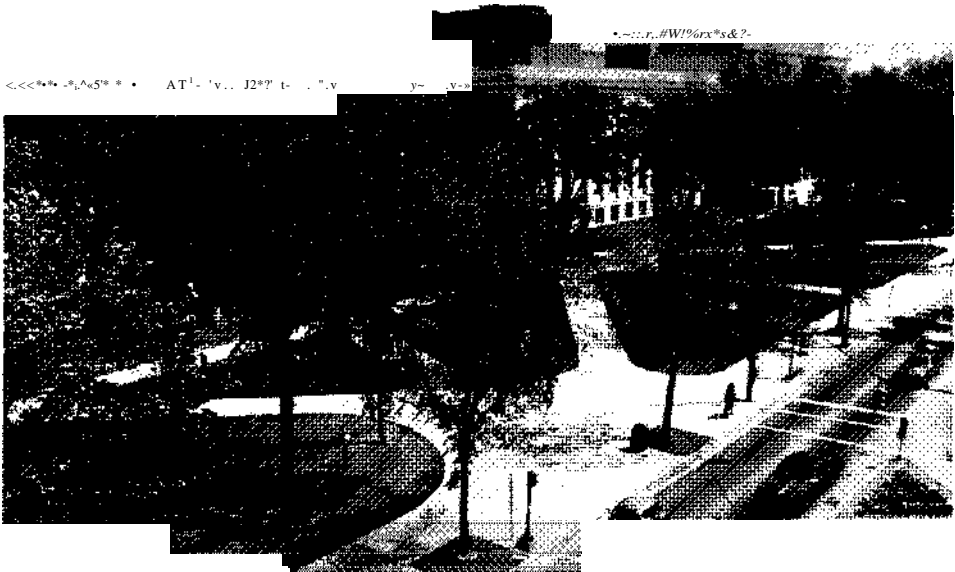
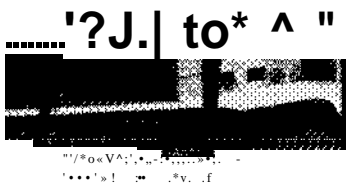
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 is on University Hall, which was the
 first university building for which
 funds were directly appropriated by
 the legislature. The cornerstone for
 the building was laid a few hours
 after President Angell's inauguration
 in 1871. The original dome was
 replaced in 1896 by the dome pictured
 here. The tower at the right of the
 picture belonged to the old museum
 building, which housed the natural
 history and anthropological collec-
 tions of the University until 1928,
 when it became the Romance
 Languages Building. To the left is
 old Haven Hall (originally the Law
 Building) which was destroyed by
 fire in 1950.

Left, the State Street side of the
 campus today. In 1924 Angell Hall
 was built in front of old University
 Hall at a cost of \$1,077,000. Haven
 and Mason Halls replaced old
 University Hall in the 1950s. Behind
 Angell Hall you can see the brick
 upper stories of the newly completed
 Harlan Hatcher Graduate Library.

JSDJ&S



Below, the corner of Washington and Main Street in 1872, complete with hitching posts, mud, and a gas lamp (in 1895 the Common Council of Ann Arbor contracted with the Michigan Electric Company of Detroit for electric street lighting). Left, the corner of Liberty and Main Street today, one block south of Washington and Main.



Charles Mears, Chairman of the Board of the New York Life Insurance Company, has said: "In the challenging days of tomorrow, businessmen will continue to be architects of change and improvement in our society. Their skill and experience as problem solvers will more and more be brought to bear on our social as well as our economic dilemmas. Business achievement will come to be measured by the new criterion of how effectively it solves the multiple problems of an expanding and complex civilization."

But an architect must be capable of integrating many parts into an harmonious whole. Which means that if the manager or executive is really to perform the architect's role he must see to his training.

Nowhere has the necessity of management's need for continuing education been better described than a recent report from the prestigious Committee for Economic Development:

"... Thus, the modern manager sees the corporation as a social as well as an economic organization, functioning in the whole of society rather than just in the marketplace.

"All these developments are being greatly influenced by education. It is most significant that today's corporate leaders are the first truly college-educated generation of business executives. A *Fortune* survey of the chief executives of the 500 largest industrial corporations in 1970 showed that some 44 per cent had postgraduate degrees, another 36 per cent had undergraduate degrees, 14 per cent had some college education, and only 4 per cent had not attended college. The college education of these executives was almost equally divided among science and engineering, humanities and social sciences, and business administration. And their graduate degrees are equally diversified; about a third in business administration, and another third in law.

"The full impact of education is just beginning to be felt throughout the managerial structure. Universities have been sending more than 20,000

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By D. O* Bowman Director, Of

MBA's alone into corporations each year. And several hundred thousand management people already in corporations are receiving additional formal management training each year.

"Modern professional managers have been exposed to concepts of business and its relations with society that were not available to previous generations. Today's managers are also more involved in the world outside their business establishments through contact with people in many other sectors of society and through participation in public causes. They have a far better perception than their predecessors could possibly have had about society's problems, how the company looks from the outside, and how it impacts on society.

"With the benefits of education and exposure, the modern manager is able to see the life of the corporation in terms of both its social and its economic ecology. A company functioning in the midst of a dynamic society may be compared to a living organism striving to live and develop within its environment. Relationships are extremely complex. The world around is at once sustaining and threatening. Multiple causes and multiple effects are continually at work. To be insensitive, even to subtleties, could be disastrous. It becomes necessary for the corporation's own existence that it be highly responsive to the environment in which it lives."

The Graduate School of Business Administration is not a Johnny-come-lately in Management Education. Rather, for the past several decades the School has ministered to the ever-expanding need for non-degree, management-level courses and

programs. A brief sketch of the broad spectrum of offerings follows.

Through its Bureau of Industrial Relations the School annually offers more than two hundred seminars, all devoted to subjects of interest to managements. Ranging in length from two to five days, the seminars generally enroll no more than thirty each to allow for discussion in depth between the instructor and the students. Since annually these seminars amount to many thousands of man-days of instruction, the continuing support of the business community attests to the quality of the work presented. Typical seminars include Management by Objectives; the Management of Managers; Manage-



Dr. D. O. Bowman

^ce o/ Management Education

ment of Office and Technical Employees; Advanced Wage and Salary Administration; Motivation Systems Workshops; Planning, Programming, Budgeting Systems; Managerial Manpower Planning; and New Frontiers of Management.

The Michigan School of Banking, presented annually and jointly with the Michigan Bankers Association, accepts a maximum of fifty students each year from banks throughout the state. The course requires two weeks in each of two years, and each year the number of applications exceeds the slots available.

Professional groups—such as the

About the author: D. O. Bowman, director of the School's Office of Management Education and professor of business economics, joined the Business School in 1970 after serving for 10 years as vice-president, management systems and planning of North American Rockwell's Auto-netics Division in Anaheim, California. From 1953 to 1960 he was Director of Long Range Planning at Crown Zellerbach Corporation. He served as assistant administrator, National Production Authority, from 1950-53, and helped to develop economic policies at the Departments of State and Commerce from 1946-1950. He was awarded the Gold Medal, highest award of the Department of Commerce, in 1953, and the Office of Emergency Preparedness, Executive Office of the White House, gave him a Distinguished Service Award in 1968. Dr. Bowman holds the Ph.D. in economics from the University of Michigan.

accountants—hold short conferences from time to time at the School, and this is an activity that the School would like to see expand.

The School's first Public Utility Executive Program was held in 1951, when four groups—the Independent Telephone Companies; the Bell Companies; the American Gas Association; and the Edison Electrical Institute—joined with the School in sponsoring such a program. Its immediate success led quickly to permanence, and the Program has been presented annually without interruption ever since. Some impressive data are available: There have been 2070 participants from 470 companies. Forty-six states, the District of Columbia, and 17 foreign countries have been represented. It is estimated that three per cent of the participants have achieved the presidency of companies ranging in size from \$2,000,000 annual sales to more than \$725,000,000. Literally hundreds achieved the vice-president level. As has been written in *Public Utilities Fortnightly*, "Together, the utilities and the school have built the most effective program of its kind anywhere. In the quality of participants and faculty and the scope of topics covered, it has few parallels. Taking account of the sensitive nature of the relationships between public utilities and the public, a sensitivity that is clearly increasing, and recognizing the growing importance of the utilities in the economy, the managements of all public utilities may well conclude that the greatest opportunity for contribution by the Public Utility Executive Program is yet in the future."

Similar to the Public Utility Execu-

tive Program in objectives, faculty, program content and quality of participants is the Executive Development Program, open to applicants from any type of enterprise in any industry. This program was started in 1954 and on occasion has been offered twice each year to accommodate the number of applicants. The Program is also international in its participants; it typically draws participants who are in middle or upper management and who are about to move or have recently moved from functional to general management. Attendance is generally limited to no more than forty in order to provide maximum interaction between the faculty and the participants.

Believed to be unique to this School is the offering of an Executive Sabbatical. In concept the Executive Sabbatical is for those who have already achieved executive status and who recognize the value of a spell of detachment in order to reflect upon change and the reflexes and responses required to meet it; to refresh oneself with respect to "first principles;" and to absorb directly such new knowledge as can physically be accommodated at a great university. The origin of such a program, of course, was in the physical and intellectual demands that a leadership role in today's business entity lays on one. Not only physical fatigue must be repaired; more importantly, mental fatigue in the most valuable of all business assets—executive competence—must also be alleviated.

The Executive Sabbatical is free form. There are no established precedents or rules that are applicable. There is no "entering class" and there is no commencement. No more than five are permitted in the program at one time. Six months advance notice is required for admittance and applications are usually accepted for the fall and winter terms only (both because of course offerings and also because of the cultural activities available in those terms).

Each executive on sabbatical participates in the construction of his own program. Together with the Office

continued on back cover

Let's Not Throw Anything Away!

continued from page 6

our inter-institutional file and see that the back files of that periodical were kept in, say, Chicago. We would notify that library that we had a request for that particular issue. They could then put the issue on their long distance machine, and it would appear on our screen—like a TV screen. If the patron wanted a copy of any page he could push a button and get one.

Does such a machine exist?

Not yet. But work is being done on perfecting such a device.

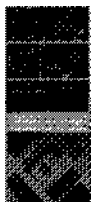
What about information retrieval systems?

In order to be effective, I believe information retrieval must be done



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An example of a microcard which contains all 28 pages of an annual report.

on a regional or national basis—it's certainly not a business for small libraries to get into. Some years ago a group of special librarians in the petroleum industry set up an information retrieval system. After a couple of years they analyzed the system and found that only about 20% of the questions needed an extensive search of the literature for an answer—not enough to make the information retrieval system worthwhile.

What about microfilm?

Microfilm is enormously helpful with the storage problem. Have you

ever tried to use a bound volume of a newspaper? We get microfilm copies of some magazines instead of binding them. We have other microforms also. For example, we receive the annual reports of all the companies on the New York and the American Stock Exchanges on microcards. Each 3 x 5 card will contain 28 8 1/2 by 11 pages. Thus we have the annual reports of about 2400 companies over 10 years, or about 24,000 annual reports in eight double card file drawers, less than one filing cabinet.

Do you keep all annual reports on microcards?

No. We have an active file of the actual annual reports of about 1000 companies. The School has an investment course in which students investigate one company thoroughly for a term paper. It's helpful to them to have the annual reports available in booklet form, so that they can spread reports for several years out

can get 50 pages of printed material on one card—also it is possible to get a copy of any page you want off a microfiche card—something that's not possible with microcards. However, the machine that will give you copies costs \$1,150. We do not have one, although we could certainly use one.

What do you keep on Microfiche?

We have the 10-K reports of all of the approximately 2400 companies on the New York and American Stock Exchanges for the past three years.

What is a 10-K report?

The 10-K is a special SEC form on which companies report certain financial data to the Securities and Exchange Commission. They are used principally by people in the finance courses when they are analyzing companies, but now that we have them, students in other areas are making use of them. The microfiche process makes it possible for us to store all of this material in two file drawers.

How much do these microfiche cards cost?

To give you an idea of the inflation that has hit libraries: in 1969 the microfiche cards of the 10-K reports of companies on the N. Y. and American Stock Exchange cost \$1368. In 1971, the price was \$1539 and next year the price is going up to \$1729.

Phew! Is this type of inflation typical?

Yes. It wasn't very long ago—6 or 7 years only—that most books we bought cost about \$8.95. Now they cost between \$10 and \$11.95 per copy, and more and more cost in the neighborhood of \$17.95. Some librarians have figured that inflation in books and periodicals runs as high as 15% a year.

Are periodicals affected by inflation?

Very much so. For instance, the American Economic Review cost \$10 for a subscription in 1970. This year it cost \$20. Moody's Municipals cost \$100 in 1969 and \$150 in 1970. Against this backdrop of rising prices is the prospect of an essentially static book budget. The main library

and compare them. Also we have only one microcard reader; it would take several to meet the students' needs.

How much does a microcard reader cost?

Five hundred and twenty-five dollars for a microcard reader, and \$130 for a microfiche reader.

Microfiche?

Yes. That is another type of microform storage. It needs a different reader. Its 4 x 6 format means you

continued on back cover



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Dr. Gardner Ackley

THE first seminar for the Associates of the Graduate School of Business Administration was held November 29 and 30 on the U-M campus. The American economy was the topic at the morning session, at which Gardner Ackley, Henry Carter Adams University Professor of Political Economy, former Chairman of the Council of Economic Advisers and former ambassador to Italy discussed "Business in the 70s." Sidney L. Jones, professor of finance and special assistant to Paul McCracken during his stint as Chairman of President Nixon's Council of Economic Advisers, spoke on "August 15 and Phase II."

Lunch at the Campus Inn was followed by a talk on "Consumer Attitudes and Public Policy" given by Jay W. Schmiedeskamp of the Survey Research Center, who presented results of the Center's latest

survey. The Associates then took a special bus into Detroit, where they attended the third annual Business Conference sponsored by the Business School (see page 25).

The following day the Associates heard Jack A. Borchardt, professor of civil engineering, discuss "The Realities of Water Pollution Control," after which future research projects of interest to the Associates and ideas for future programs were discussed.

Active participants from the School included Dr. A. W. Swinyard, associate dean and professor of business administration; Dr. D. O. Bowman, director of management education and professor of business economics; Dr. Herbert Hildebrandt, director of alumni relations and professor of business administration; Dean Floyd A. Bond, and the faculty group chairmen.

John R. Wood, Jr., senior vice-president-finance, Clark Equipment Company.

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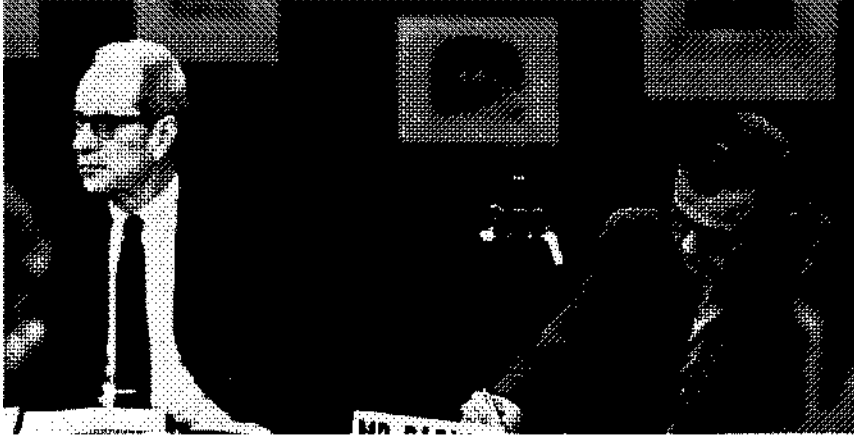


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James P. McCormick, vice-president of The Detroit Edison Company.

Left to right, Frederick W. Prince, assistant treasurer, the Bendix Corporation and James A. Parker, director of economic and financial planning, Consumers Power Company.



Thomas H. Dooley, vice-president and controller, Manufacturers National Bank.



Sidney L. Jones, professor of finance, (left) and Robert E. Brewer, assistant to the president, S. S. Kresge Company, discuss a point between sessions.



Seminal nai li(man is hoai d the bus to attend the Business Conference in Detroit.



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Among Ourselves

An informal collection of items, including news of the faculty, of alumni, and of the school, and assorted other information, opinion or comment that we think will interest you.

U-M Graduate Elected Chief of General Motors

Richard C. Gerstenberg, who did his undergraduate work in finance at the University of Michigan Business School, was elected chairman of the board and chief executive officer of General Motors Corporation at the company's December board meeting.

Following graduation from the University of Michigan, Gerstenberg joined GM in 1932 and worked in various financial assignments; he successively served as assistant comptroller, treasurer, and vice president in charge of the financial staff. In 1967 he was elected executive vice president for finance and later was promoted to vice chairman of the board of directors.

Only a week before his election as chairman of GM's board, Gerstenberg had attended the 1971 Business Conference of the Graduate School of Business Administration, and had introduced the dinner speaker. (For more on the Business Conference, see page 25.)

Another U-M graduate, Roger Smith, was promoted at the same time from vice-president in charge of financial staff to GM's group executive in charge of the non-automotive and defense group. Mr. Smith served on the advisory committee for the 1971 Business Conference sponsored by the Business School.

The changes became effective January 1, when James M. Roche, chairman of GM's board for the last four years, retired.

Student Council Sets Up Minority Consulting Group

The Minority Consulting Group, a test project initiated by the School of Business Administration and the Center for Afro-American Studies was formed this fall. The Group consists of students who are working on a volunteer basis with small minority businesses in the Ann Arbor and Detroit areas.

When the Minority Consulting Group was formed, nearly 40 students, including eight from the Black Business Students Association, responded to the call for volunteers. Among projects students are working on are: a projected restaurant and plans for a frozen "soul food" business (the latter project is in cooperation with General Motors Corporation's minority development program), distribution and other organizational matters faced by a local black artist, and financial and accounting procedures for the Center for Afro-American Studies.

The project is intended to allow business students to apply their knowledge to problems facing minority businesses, and at the same time, to give them an awareness of problems peculiar to minority businesses.

Former Professor Fred Black Dies

Frederick L. Black, one-time assistant to Henry Ford I, and friend of the Wright Brothers, died November 7 in Phoenix, Ariz. From 1956 to 1961 Black served as director of business relations for the Graduate School of Business Administration.

From 1918 to 1941 Black was associated with the Ford Motor Company, serving in numerous positions including manager of Ford publications, assistant to Henry Ford I, advertising manager, assistant to Edsel Ford, first director of the Ford Museum, and secretary-treasurer of the museum and Greenfield Village.

A pioneer pilot, Black knew the Wright Brothers well. In 1928 he took American poets Robert Frost, Carl Sandburg and Vachel Lindsay on their first airplane rides.

During World War II, Black was liaison representative between the U.S. Government and American Motors Corporation. He served as director of public relations and special assistant to the president of American Motors Corporation, and was assistant to George Romney when he was president of American Motors.

Black retired from AMC in 1956 and for the next five years served on the business school staff. From 1963-65 he was one of the U of M business school representatives on a six-man team of specialists who, under a U of M contract with the U.S. government, organized a school of public and business administration at Chengshi University, Taipei, Taiwan.

Paul McCracken Returns to School

Paul W. McCracken, Edmund Ezra Day University Professor of Business Administration, returned to the Business School January 1st. He had been on leave since being appointed Chairman of President Nixon's Council of Economic Advisers.

Commenting on Dr. McCracken's return, Dean Floyd A. Bond said, "Dr. McCracken and I have been discussing his return to the University for some time. Originally the University had expected he would be returning at the beginning of the current academic year. But at Dr. McCracken's urging his return was postponed until the beginning of the second semester.

"This delay in his return to the University enabled him to stay on as Chairman of the President's Council while the new economic policy was being developed and implemented."

Dr. McCracken, whose resignation from the Council of Economic Advisers was announced by the White House on November 24, joined the U-M faculty in 1948 and has held the Edmund Ezra Day distinguished professorship since 1966.



Dr. Paul McCracken (right) discusses a point with J. Philip Wernette as they board the elevator at the Business School.

Alpha Kappa Psi Wonders About Admitting Women

The local chapter (Phi Chapter) of Alpha Kappa Psi, national business fraternity, has a problem. Should they admit women? If they do, they face expulsion from the national organization, which forbids admitting female members to the organization. If they do not, they stand to lose their status and privileges as a business school club, since the business school student council has a policy against discrimination.

Phi Chapter of Alpha Kappa Psi hopes to solve the dilemma by getting the national constitution amended to allow the "legal" admittance of women. The chapter's committee on the status of women is handling this work, with cooperation from the Business Women's Association.

The Executive Program Picks Dixon's Book as Midwinter Selection

The Executive Program, a businessman's book-of-the-month club, has chosen *The Executive's Accounting Primer* by Robert L. Dixon, professor of accounting, as its main midwinter selection for 1972. The brochure sent out by The Executive Program says "For those of you who know you should know *something* (or more) about accounting—here is the dream book. Written by one of the most well known and respected

accountants in the country, *The Executive's Accounting Primer* takes you by the hand, and in prose that belies everything you've ever heard about the deadly subject, eases you into the not-so mysterious theory and practice of modern management accounting.

"What is most unusual is to find a top-notch accounting professor writing a comprehensive, systematic and yes, engaging book for managers. This Robert Dixon has done. He assumes that you're completely uninitiated in the field—but by the time you're finished with this uncommon book we guarantee you can claim associate membership in the accounting fraternity."



Pictured here are members of the MBA class of 1926 (standing) and four professors on the faculty in 1926 who were special guests of the class at their recent 45th reunion. Left to right, standing, class members are: Alois J. Chronowski, retired banker; Robert P. Briggs, former executive vice-president of Consumers Power Company and present Banking Commissioner, State of Michigan; Bernard A. Nagelvoort, retired businessman; F. Bradley Case, investment manager for the Relm Foundation; Millard H. Pryor, retired businessman; Booker T. McGraw, retired Federal Housing Administration official who teaches part-time at Harvard and traveled to Ann Arbor especially for the reunion; D. Maynard Phelps, professor emeritus of marketing, and Merwin H. Waterman, professor of finance. Seated are four members of the faculty in 1926. Left to right, they are: Clare E. Griffin, professor emeritus of business economics; Margaret Elliott Tracy, professor emeritus of personnel management; William A. Paton, professor emeritus of accounting and economics; and Francis E. Ross, retired partner of Ernst and Ernst who was assistant professor of accounting in 1926.

MBA Class of '26 Practices for the 50th

The MBA class of 1926 held its 45th reunion October 15, and planned a full program. They started off by attending the McNally lecture sponsored by the Business School at which famed criminal lawyer F. Lee Bailey was the speaker. After the lecture, the class went to dinner at the Town Club in Ann Arbor and then returned to the ninth floor lounge in the Business School for a social evening. When asked how long the social evening lasted, Merwin H. Waterman said, "Not late, as most of us were planning to go to the Michigan-Iowa game the next day." Then he added, with a grin, "This gang used to stay up until 4 a.m. Now we're all asleep by 10 p.m."

The class of 1926 has held reunions

about every six months since they graduated. Many of the reunions are "poker weekends" at the White Lake cottage of one of the class members.

In the spring of 1971, a committee of the Class of 1926 consisting of Maynard Phelps, Jim Waterman, Mill Pryor, and Bernie Nagelvoort, set out to raise \$35,000. It is a tribute to their loyalty to the School that they succeeded. Contributions by or on behalf of the 12 members of the Class of 1926 amount to \$35,110. It is reported that a higher percentage of this class are members of The Presidents Club than any other class in any of the 17 schools and colleges in the University.

Income Up

The Census Bureau estimates that median family income hit \$10,000 a year in 1970 and that it will reach \$15,000—in constant, inflation-corrected dollars—by 1985. And the share of personal income spent on things to use, touch and enjoy like automobiles and furniture has increased by 50 percent in the past generation.

Census studies show that education has increased enormously. In 1940, only 38 percent of young adults between 25 and 29 years of age had finished high school. In 1970, 75 percent finished high school.

Between the census of 1960 and 1970, the labor force increased by 11 million persons, and 80 percent of the increase was accounted for by women.

Two Women MBAs Help In Recruiting Efforts

Two women MBAs of the class of 1971 took positive steps in helping the School to increase the enrollment of women by accompanying Dr. James Filgas, Director of Student Services, in his recruiting visits to Carleton College and Case-Western Reserve University.

Anne Cheney went with Dr. Filgas to Carleton College at Northfield, Minnesota. Arthur Anderson & Co. agreed to let her have a day off from her job as an accountant with the firm's Minneapolis office. Trudy Casselman took a day's vacation from her job as an industrial relations associate with the B. F. Goodrich Chemical Company to join Dr. Filgas in recruiting at Case-Western Reserve University.

Faculty News

Arthur F. Southwick, professor of business law, has published an article entitled "The Trusteeship Function" in the Sept., 1971 issue of *Hospital Progress*. Another article, "Physicians vs. Hospitals," was published in the September 16, 1971 issue of the *Journal of American Hospital Association*. Professor Southwick has also spoken on "The Medical Staff in Legal Perspective" to several large Hospital Medical Staff Conferences where his audience was 525 people at one meeting and 300 at another.

Meyer S. Ryder, professor of industrial relations, has acted as chairman of a series of university wide forums discussing important issues affecting the university community. Professor Ryder is a faculty member of the Committee on Communications, a committee established by the Regents to consist of students, faculty and the university administration people to provide open channels of communication in the exploration of controversial issues affecting the University. Recent forums have dealt with university policy in voting its common stock shares at stockholders meetings and the issue of classified research at the University.

Douglas A. Hayes, professor of finance, has written a paper entitled

"Ethical Standards in Financial Reporting: A Critical Review" published in *Ethics in Corporate Financial Reporting* for use in the Seaview Symposium on this subject attended by certified public accountants, financial analysts, financial executives and bank lending officers.

Carl H. Fischer, professor of insurance, was re-elected vice president of the Conference of Actuaries in Public Practice at the annual meeting in New Orleans in October.

James F. Filgas, director of student services and associate professor of business administration, is the author of *Yellow in Motion*, a history and analysis of the Yellow Freight System, Inc., the nation's third largest truck line. The book has recently been published in a second edition by the Division of Research, Graduate School of Business, Indiana University.

M. H. Waterman, professor of finance, has retired from teaching after 46 years of service to the University of Michigan and moved to California. His new address is 2110 N. Via Puerta, Laguna Hills, Calif. 92653.

James R. Taylor, associate professor of marketing, and Thomas C. Kinnear, Ph.D. student in marketing, have published an article entitled "Multivariate Methods in Marketing Research: A Further Attempt at Classification" in the October, 1971 *Journal of Marketing*.

Karl G. Pearson, professor of business administration, is the author of "Real Estate Investment Trusts" published in *Appraisal Briefs* of the Society of Real Estate Appraisers and of an article published in the winter issue of *Real Estate Review* entitled "Real Estate in 1980 Will Be a New Ball Game."

Philip Wernette, professor of business administration, is the author of an article, "The Regulated Economy" which appeared in the December issue of the Ohio Citizens Trust Company Publication, *Tempo*.

Mary C. Bromage, associate professor of written communication, has given several talks this autumn. Topics ranged from "Scientific and Technical Writing" given before the General Motors Research Laboratory and "Making Language Work" given

before the State Bank Examiners Conference in Lansing to "Ireland's Unfinished Revolution" before the Plymouth Student Group.

Dean Floyd A. Bond continues to serve on the advisory committee to the Government Accounting Office, as chairman of the National Commission on Education for the Business Professions, and on the past presidents' council and nominating committee of the American Association of Collegiate Schools of Business.

W. A. Spivey, professor of statistics, has co-authored a paper entitled "Analysis and Predication of Telephone Demand in Local Geographical Areas" published in the Fall, 1971 issue of *The Bell Journal of Economics and Management Science*.

David L. Lewis, professor of business history, published an article entitled "When Henry Ford Was 'TJnknow'n'" in the *Detroit Historical Society Bulletin*. In the past year, he has published extensively on various phases of Ford's life and work.

Directors of Executive Development Programs Meet at Business School

Representatives of 14 major universities came to the U-M Business School last fall to attend the first conference of Directors of Executive Development Programs. Conference participants were directors of executive development programs across the country.

Their three-day meeting explored such subjects as the content of executive programs, what management wants from management development programs and the role of universities in executive development programs. Prof. D. O. Bowman, business economist and director of management programs for the Business School, was in charge of the conference.

Universities represented included: the Universities of Tennessee, Illinois, Ohio State, Southern California, Virginia, Indiana, Pennsylvania State, Columbia University, Temple University and Miami University.

BBR Publishes "Economic Policies in the 1970s"

The Bureau of Business Research has just published *Economic Policies in the 1970s* (Michigan Business Papers, No. 57, 1971, 95 pp. xvi, paper, \$4.00) This book continues the Bureau's distinguished series on economic policy and public welfare, which makes available in print speeches delivered by prominent economists at symposia on the subject held at Western Michigan University. Topics of the present volume include: "Economists, the Government, and the Economy" (James E. Buchanan), "Nixonomics and the Stagflation Reconsidered" (Martin Bronfenbrenner), "Some Observations on Current Stabilization Policy" (David Fand), "International Inflation" (Gardner Ackley), "Inflation: A 'Monetarist' View" (Harry G. Johnson) and "Prospects and Problems of British Entry into the Common Market" (Bela Balassa).

Second FORTRAN Studies Volume Published

Volume Two of *FORTRAN Applications in Business Administration*, edited by Thomas J. Schriber, associate professor of statistics and Laurence A. Madeo, lecturer in statistics, has been published by the Graduate School of Business Administration. The 530 page document consists of 32 case studies developed by those who participated in the 1970 Business Faculty Summer Programs in Computing, funded by IBM and sponsored by the American Association of Collegiate Schools of Business. Copies have been placed in the libraries of all business schools throughout the country. Additional copies are available from Ulrich's for \$8.25 postpaid. Typical case studies include, "A Computer Model for Computing Fully Diluted Earnings per Share," "An EPS Growth Model for Financial Planning" and "Dependent Cash Flows with Graphical Output."



Left to right, Dean Bond, William Roy, Donald Van Doren and David Woods at New York meeting.

From Coast to Coast Alumni Get Together

The first meeting of the Michigan Business Alumni Association of New York was held this fall at the Copter Club in the Pan Am Building. Donald Cook, MBA '35, member of the School's Visiting Committee and President of the American Electric Power Company, Inc., spoke on "A Management Education and the Public Interest." Dean Floyd A. Bond was also on hand and spoke on the progress of the Business School. Further meetings of the group are being planned. If you live in the New York area and want to get in touch with the group, the regional directors are: William Roy, 305 Thayer Pond, Wilton, Conn.; Donald H. Van Doren, R. Shriver Associates, Denville Prof. Bldg., 78 Broadway, Denville, N. J., or David H. Woods, 94 Rosebrook Rd., New Canaan, Conn.

The Michigan Business School Alumni of California met for breakfast on New Year's Eve at the Ambassador Hotel in Los Angeles. The breakfast speaker was David H. Strack, MBA '46, associate director of athletics, who spoke on the business operations of the athletic department. Dean Bond spoke on the Business School and the progress of the new Assembly Hall building. Members agreed to meet again to discuss possible future programs. Anyone wanting to get in touch with the group can contact Robert Bond, BBA '65, 360 N. Crescent Drive, Beverly Hills, Calif.

Business School alumni in the San Francisco area met in December and saw the film of the Purdue-Michigan football game. That meeting was under the chairmanship of Terry Saigh, MBA '67, 955 Corbett, Apt. 2, San Francisco.



Robert Bond, BBA '65 (left) and Terry Saigh, MBA '67 at Los Angeles meeting.



'usiness Conference

The third business conference sponsored by the Graduate School of Business Administration drew a record crowd of close to 600 to the Rackham Building in Detroit. "The purpose of this annual conference," said Dean Floyd A. Bond in his opening remarks, "is to build a stronger bridge between the School and the business community—between faculty members and business leaders."

Speakers included Ezra Solomon, member of President Nixon's Council of Economic Advisers; J. J. Needham, commissioner of the Securities and Exchange Commission, and J. Philip Wernette, professor of business administration. Richard C. Gerstenberg, chairman of the board of the General Motors Corporation, introduced the dinner speaker. These talks will be published in a separate monograph and sent to all alumni and friends of the School.

For pictures of some of the people who attended the Conference this year, turn the page.

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Richard C. Gerstenberg, chairman of the board of the General Motors Corporation, and Dean Floyd A. Bond (right) at dinner during the Conference,



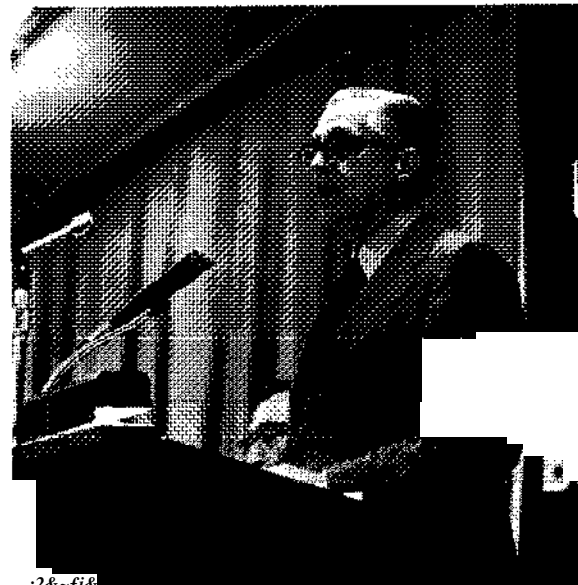
Right, Leland J. Kalmbach, honorary chairman of the board of the Massachusetts Mutual Life Insurance Company.

Paul S. Mirabito, executive vice-president of the Burroughs Corporation.

Below, left to right, W. Randolph Clerihue, vice-president finance of the Bendix Corporation; Charles S. Kennedy, Jr., vice-president and treasurer of Craft, Kennedy and Higgins Inc., and Thomas S. Lawton, assistant treasurer of the Chrysler Corporation.



Richard C. Gerstenberg, chairman of the Board of the General Motors Corporation, introduces the dinner speaker.



Richard C. Gerstenberg, chairman of the Board of the General Motors Corporation, introduces the dinner speaker.

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Ik-low left, Dr. Ezra Solomon of President Nixon's Council of Economic Advisers, speaks on the American economy. Left, Oscar A. Lundin, executive vice-president of the General Motors Corporation and Edmund Whiting (right), IIC;ISIM(T o! f\~Cell(-) Cornoration.

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J. Nirdli.un, Commissioner of the Securities and Exchange Commission who soke oil " \mci ic an Business, The Investor and the S.E.C.," talks at dinner with ' (.. Mc (;iino< k (center), senior vice-president, National Bank of Detroit >d Will Sc cut (s ijht) of the Ford Motor Company.



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William B. Cudlip, member of the University of Michigan's Board of Regents.

The Executive Sabbatical

continued from page 15

of Management Education and the Dean of the School, he reviews the riches of the University and the School and structures his activity to his own needs and aspirations. And hopefully, he will desire that much of his activity will be in areas other than the School of Business Administration. Even the fee is tailored!

Not all companies can face up to such a program. A company may not regard executive talent as its most

valuable asset; or even if it does it may feel that the executive "cannot be spared;" or that the company has no responsibility for maintaining the value of the asset. Nor can all executives face up to such a program. If an executive has fear of his subordinates or peers; if he feels that the "place will really fall apart" in his absence; if he has only passing interest in new knowledge, 'tis better to save the company's money. But for the companies who act as if "Management is everything;" who realize through observed experience how precious is executive capability;

who recognize that "there is a whole series of other worlds out there," the Executive Sabbatical has the prospect of enriching the executive stable at a relatively low expenditure of time and money. And for the executive who is wide-ranging in his intellectual and business interests; who recognizes that mere change often revitalizes the functioning of the mind and body; who desires "some retreat" but more importantly, an addition to his knowledge and an expansion of his intellectual horizon at his own pace; then the Executive Sabbatical is for him.

Let's Not Throw Anything Away!

continued from page 16

estimates that the cost of periodicals in all fields has gone up an average of 11.8% in 1970 and 12% in 1971!

How has your staff grown?

When we moved to this building in 1948 there were three professional librarians. Now there are six full time and one half time. In addition we have three full time and one half time clerical people plus student help. Our hours have been extended, which is part of the reason for the increase in staff. In addition, there are two special areas of this library.

What areas?

There is the library started by the Bureau of Industrial Relations, which serves students now as well as businessmen and faculty, and the reading room of the Institute of International Commerce, which was set up four years ago as a collection of material that businessmen could use in international commerce. Businessmen use the library by calling and writing letters as well as by coming to the building. Students are also using it regularly, though the library was not originally set up for student use.

How does a library decide who it will serve?

A library cannot say that it will only serve one group of people—i.e.,

faculty, or businessmen. Students are using all our libraries heavily. As one student said to me, "A student will use everything a librarian knows enough to find for him."

Interviewer's Note: As I was leaving Miss Loeffler's office, I passed a table piled with assorted books and paper bound volumes. My eye fell on a paper bound book with the title printed in what seemed to be Japanese. Inspection proved that the rest of the book was in the same language. "What's this?" I asked, giving it to Miss Loeffler. "I'm not absolutely sure," she replied, "since I don't read this language." "What are you going to do with it?" I asked. "I don't quite know," said Miss Loeffler uncertainly, "I hate to throw it away . . ."