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Review

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Source: *The Economic Journal*, Vol. 60, No. 240 (Dec., 1950), pp. 808-810

Published by: [Wiley](#) on behalf of the [Royal Economic Society](#)

Stable URL: <http://www.jstor.org/stable/2226729>

Accessed: 28-02-2016 23:46 UTC

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the usefulness of an international forum in which countries work out problems relating to commercial policy under agreed rules and procedures."

In a final chapter the author discusses four main courses of action open to the United States if the Charter is rejected. One would be a return to bilateral negotiations under the Trade Agreements Programme, and another the use of G.A.T.T. as the principal instrument of United States commercial policy. A third would be an attempt to re-negotiate the Charter to secure a better document from the United States point of view; the author is rightly sceptical of the possibilities. A fourth would be resumption of full freedom of action; here the author describes a school of thought in the United States that would seem to advocate "an aggressive trade war against all countries that do not accept 'liberal-capitalist' ideas and methods."

But there is little language of this type in the book. It is almost wholly a sober, factual analysis. The reader must not expect to find in it a full treatment of all the puzzling problems of international trade that have been raised in recent years; certain issues that have aroused considerable controversy are hardly mentioned. The book is of value mainly as "a permanent and definitive record of the most comprehensive series of international economic negotiations ever undertaken."

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*Human Behaviour and the Principle of Least Effort.* By G. K. ZIPF. (Cambridge, Mass.: Addison-Wesley Press, 1949. Pp. x + 573. \$6.50.)

DR. ZIPF, in this "Introduction to Human Ecology" maintains that in human organisation and behaviour a distribution of values is frequently found such that the highest to the lowest values follow one another in series according to a particular formula. This formula, which is one of harmonic progression (or rather degression) type, *e.g.*, 100, 50,  $33\frac{1}{3}$ , 25, 20 . . ., holds when items are ranked in order of magnitude. It applies, according to Dr. Zipf, to such diverse phenomena as individual's incomes (where he claims to correct the Pareto formula), the largest cities of a country ranked in the order of their population, industries ranked in order of their number of establishments and words ranked in order of the frequency of their use, even (pp. 25 ff.) by James Joyce.

Up to this point we can follow Dr. Zipf, though verification

would be easier if he gave more names, times, places and figures instead of graphs. Undoubtedly there are certain distribution formulæ followed by human organisation and events; the normal Gaussian distribution is one. But where we cannot follow him is in supposing the harmonic distributions he has disclosed to be in some special sense unique, nay, almost mystic in quality; or always to depend on a principle of least effort.

Dr. Zipf's data are mainly of the type where the frequency distribution is positively skewed, that is to say there are only a few items with large values but many with small. There are, for instance, few very large towns but many small towns and villages; a few industries with very many plants, many with only a few; and, of course, few rich men and many poor.

The double logarithmic charts comparing theory and empirical data look convincing, because points are placed in order of their magnitude, largest first from left to right. The curve is therefore bound to slope downward to the right. And the points farthest to the right, where values are small and items many, will show by this very bunching a strikingly continuous curve.

The particular interest of Dr. Zipf's book to an economist is the extreme "economic man" interpretation he uses to explain his series. His argument summarising the distribution of economic power and social status in terms of income and wealth (on p. 500) is that "a person is always economical, and that it is always economical for a person to procure some one else to do his work for him." It is difficult to pin down Dr. Zipf to a precise application of his theory, but one gathers that a bureaucratic élite gets an inferior class to do its work at a lower income, that class in turn a sub-inferior class, till the process of delegation and exploitation at lower and lower wages reaches the bottom sub-sub-sub pariah class. There is thus a succession of income levels, for some reason harmonic in series. This succession also apparently applies to incomes and the wealth of groups and institutions, *e.g.*, the assets of corporations.

Economic and political status certainly presents the hierarchical principle of the greater the fewer, the humbler the more frequent; but whether the humbler always increase precisely on the Zipfian formula and if so, why, remains still to the reviewer an open, though certainly interesting, question. The answer worked out in this book is perhaps something more than just a *mystique* or a King Charles' head and may incidentally prove useful. The non-Gaussian, highly skewed distribution is fairly frequent in economic behaviour. Besides Zipf's instances there are the

shareholdings in Joint Stock Companies; the sizes of factories in any one industry or manufacturing generally; the sizes of localised production centres in any industry. Here averages and deviations from average are of little significance, if not positively misleading, and other methods must be found of summing up the general level, the degree of variability and the shape of distributions. The harmonic series, with its relatively thick long tail, certainly resembles the shape of much human behaviour and organisation. Comparison of observed facts with some theoretic series of this type used as a standard may well bring order, perspective and analysis into what are now mere detailed descriptions.

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*Teoría de la Política Social.* By MANUEL DE TORRES. (Madrid : Aguilar, S.A. de Ediciones, 1949. Pp. xxiv, 314. 80 pesetas.)

In his prologue Professor Torres tells us that he has sought in the *Theory of Social Policy* to discuss the economist's contribution to formulating the ends of social policy and to analysing the means whereby they may be attained. As regards the goals of policy, he considers that decisions here should be left to the political authority guided by current sentiments and opinions. For all that, Professor Torres does have in mind a very definite aim for social policy: the redistribution of income. Indeed, policy is "social" for the most part where it involves some redistribution of income. Nonetheless, while the book centres on this problem, we are not told how great a redistribution is envisaged. A movement of income towards entrepreneurs is considered to be bad, and one towards wage-earners good.

The yardstick whereby Professor Torres measures the redistribution effect of a policy is its impact on profits. In consequence, his macro-economic theory of profits has a crucial rôle to play. Profits are held to be equal to investment minus savings. The basic assumption underlying this conclusion is the rather odd one that the outlay of entrepreneurs as a whole consists of payments for capital and labour used in the consumption-goods industries only. Unfortunately this assumption is not discussed; and, indeed, it appears to be at variance with Professor Torres' useful exposition of the real and monetary flows in the economy.

The subsequent chapters contain, for the most part, discus-