

by this method. The treatment of the applications of instalment selling to automobiles is exhaustive.

Professor Seligman, who is MacVickar Professor of Political Economy in Columbia University, assisted by a group of trained and expert economists and investigators, gave more than a year to this study. The results are presented in a most interesting manner. Its conclusions are well supported and seem inevitable. Discussions on the subject of instalment selling will henceforth have to begin with Professor Seligman's work and many will find the end of their discussions as well in these books for some years to come.

The first volume is divided into two parts. The first defines instalment selling, outlines its history, describes the methods used in the various lines of merchandise generally sold this way, and the extent of instalment selling. Part two analyzes the nature of instalment credit, identifies it as a form of consumption credit subject to all social standards applying to any other form of consumption credit. There follows what is without doubt the best statement of the nature, effects and tendencies of consumption credit. Separate chapters show the effect of consumption credit in the form of instalment selling on the consumer, on business generally, and on the general credit structure.

The second volume presents detailed reports of the studies and results found in relation of instalment selling to real estate, to consumers, to merchandise, to dealers, the problem of recession, and the probable effect of a business depression on instalment selling. A mass of detailed information is presented on each subject. From this information the author and his associates have directed the attention to what is essential. The conclusions seem decidedly conservative.

Instalment selling is one of the most outstanding large scale business developments of the last five or six years. Although the methods of instalment selling are not new, as is clearly pointed out in this work, they have spread rapidly and have been adopted widely during this recent period. Naturally every one interested in this phenomenon of business has wondered and speculated on whether this method of business might carry us. Opinions have been very much divided. There have been persons and interests strongly partisan for instalment selling. There have been others equally strongly opposed. The views expressed have been largely merely opinions. It is too much to be hoped that this work will settle the discussion, but it will certainly place a wealth of fact and logic at the disposal of those who would like to go deeper than opinion and guess.

Professor Seligman in this work arrives at a general conclusion favorable to instalment selling on goods that may be wholly paid for by the consumer before their consumption has been completed. With many exceptions noted, he finds the effects of instalment selling highly favorable both to the individuals and to society. He anticipates no serious future problem arising from this method of selling. He credits the business advance that has occurred during the past five years, in part, at least, to the widespread use of this method of selling. Certainly automobile distribution would have been very much limited were it not for sales on the instalment plan.

There will be critics of the work presented in these volumes, but it is to be hoped that those who criticize will take the trouble to read the facts presented as well as the conclusions as stated before making their criticisms. It is also to be kept

in mind that the applications of this work are made particularly for the automobile industry and trade. Advances in the knowledge about instalment selling are likely to be made in the other fields of consumer goods as time goes on, but for the present and probably for some years, this work will stand as the authority.

PAUL H. NYSTROM<sup>1</sup>

*Principles of Selling by Mail.* By James Hamilton Picken, A. W. Shaw Company, Chicago, 1927, pages vii, 374.

This is not a particularly important or interesting book, and I question if readers of the BULLETIN would get much value from it. There are, of course, worthwhile ideas in its pages—an attempt to classify "letter-forms," as for example story letters, announcement letters, invitation letters; a discussion of seasonal and general conditions as important factors in judging returns from circular letters; a tabulation of returns, where different propositions have been offered by mail, which might be of tremendous value if all the facts were given on each; and a few brief suggestions on readability.

There is a very full discussion of what *not* to do in letter-writing—don't arouse hostility, don't omit important facts, don't confuse the reader, etc.; but the positive virtues of enthusiasm, vividness, and strategy in appeal to buying motives are dismissed in casual paragraphs. The author evidently does not believe much in them; for neither his text nor his examples show enthusiasm, vividness, or appeal.

In fact, most of what has been said in these 374 pages has already been better said elsewhere.

MONCRIEF H. SPEAR<sup>2</sup>

*Testing Before Investing.* By Edmond E. Lincoln, The A. W. Shaw Company, Chicago, 1926, pp. 96.

The distribution of our national wealth is constantly changing and bringing about new ownership. Most socially minded people are beginning to realize that this shift to new and more hands is a dangerous phase of our financial development unless it can be made cautiously. Advice from those most competent to give it is therefore essential. It is for this reason that individuals in the financial and academic world have set about finding means whereby the savings of men of modest income can be stored away to secure the highest return possible with safety. The suggestions in the book under review should prove helpful to both individual investors and investment organizations offering advice to others.

The book, brief and to the point, is not weighted down by academic traditions. It has no superficial material; one can turn to the type of investment in question and secure there the opinion of the author. Opinion only it must be, for our economic structure has the habit of every now and then turning a queer trick on the investor—a trick that even the statistician finds it impossible to cope with, although he would frequently lead us to believe he can. This situation will remain unchanged, for investments are deals in futures, concern-

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ing which man is yet powerless to predict with any degree of accuracy. Nevertheless, since the best investment advice can be no more than opinion it is the more important that the opinion be formed by one experienced in the field of finance and business.

In one respect the author has fallen short. If investments are to be sound and the wealth of individuals thus well guarded, the organization to which individuals entrust their surplus funds must be sound. This is essential to the interest of social and economic justice and the sustaining of our commercial structure. In my opinion Mr. Lincoln does not make enough of this point. We must first make investments secure by having business well organized, well managed and conservatively financed. Mr. Lincoln does not show how to go back to the securities as I believe he should have done. Nor does he show how to advise in the turn-over of securities. Who is to do the advising? On whom can one depend when he wishes advice on this matter?

These criticisms are not meant to detract attention from the valuable phases of the book. The contrary is the case, since the phases of the subject omitted here are well covered in Mr. Lincoln's "Applied Business Finance," also published by the A. W. Shaw Company, which can be read with profit by the investor. Many ideas included in that very fine piece of work might also have been incorporated in this volume to make it more comprehensive.

"Testing Before Investing" groups in a common sense way the classes of investors, and deals with each in accordance with its important features. The ample space and sound thinking given to discussion of different types of securities, their strong and weak points and the type of investor each should fit, are most valuable, coming from Mr. Lincoln, who has had an opportunity to view the mechanics of business organization and administration at close range. In this respect the book makes a distinct contribution to the already too abundant literature of an elementary and pedantic type on finance and banking. A new field is being charted here which needed to be marked out for the intelligent, alert man as well as the academician.

The book deals thoroughly, though not completely, with a simple every day fact which confronts thousands of people, in a manner which can be easily understood. It simplifies and clarifies the situation portrayed without making it appear more involved than it actually is, as most books on banking and finance have a tendency to do. It should have a wide audience to profit by its valuable information.

L. J. CLASSE<sup>3</sup>

*Nationality, Color and Economic Opportunity in the City of Buffalo.* The Committee on Publications, Roswell Park Publications Fund of the University of Buffalo, in co-operation with The Inquiry, New York, 1927, pages 124.

The author finds: "first, the clear evidence that the negro and immigrant are disadvantaged, as compared with the native white of native parentage; second, the further fact that the

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negro is more seriously handicapped than the immigrant, the latter is more seriously handicapped than the immigrant, the economic level, while the negro seems still to be confined within narrowly circumscribed limits; third, the existence of striking differences in the economic experiences of the various immigrant nationality groups, although these differences bear little significant relation to the distinction between the 'old' and 'new' immigration; fourth, the importance in and of themselves of the attitudes and emotions of the persons involved in the various economic relations reviewed."

Certainly nothing is more important to the future welfare of our country than a solution of the social problems arising out of race and color, and if we are to reach a solution we must first have a general agreement on the facts. Dr. Carpenter's broad minded discussion of those gathered in making the Buffalo study is of general rather than local interest, and is decidedly a contribution to what has already been said on the subject.

Students of sociology will find some interesting figures compiled and charted.

BRYANT B. GLENNY<sup>4</sup>

*The Worker and His Job.* Outlines for the Use of Workers' Groups. The Inquiry, New York, 1927, pages 65.

This pamphlet, as the title denotes, demonstrates the technique of holding small informal group discussions with special reference to the needs of leaders of workers' groups.

In a few introductory pages the general plan for development of a successful discussion meeting is summarized as a guide for the group leader. Topics touched on are the initial approach to the subject through personal experiences of group members, bringing out diverse points of view through discussion and reference to written authorities, elimination of personal prejudice, summarizing final opinions of the group and points worthy of further discussion.

The outlines themselves, composing the main body of the pamphlet, illustrate how representative topics on workers' problems could be developed by using these principles. The subject matter of these outlines is most interesting in itself, but, as the introduction states, its main value is as illustrative material for the technique of group leadership. The principles of group discussion exemplified here could be well applied to any type of discussion meeting, so long as the group had some common interest.

A valuable addition to the pamphlet would be a summary analysis of the technique used in the sample meetings outlined in the text, in order to amplify by concrete suggestions the general principles touched on in the introduction. In reading through these illustrative outlines, the reader is conscious that there is a definite technique underlying the presentation of the material and would like, as a summary, a concise list of suggested methods as a guide in developing his own particular group topics.

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