fair degree of speed, what psychology has to say about the subject of his special interest. This is an advantage because there is a slight tendency to discursiveness in the treatment as a whole. From the non-textbook point of view, the value of the book would have been more effective could the whole have been reduced to three hundred and fifty pages. As it stands, it supplies the best general American picture of applied psychology that is available.

ORDWAY TEAD.[1]

Business Forecasting and Its Practical Application. By William Wallace, Sir Isaac Pitman & Sons, Ltd., London, 1927, pages xiv, 117.

The author of this book wished to bring back to England an outline of progress made here in the direction of general business forecasting analyses and some evaluation of the significance of general forecasting to business. In so compact a space, he could not well have compressed very much more material suitable to this purpose. He begins with an eloquent statement of the need for business forecasting, which no one will deny. He makes a fair statement of the problem involved in the case of an individual company. Then, in logical order he sketches the theory of forecasting; checks up some of the general forecasts that have been made by economic services; and outlines the opportunities for the application of forecasts after they are made. In these chapters there are many pointers to one interested in finding nuggets of value.

Having in mind the purpose of the author in bringing a convincing story to English readers, it seems probable that in the early chapters he would succeed in "selling" the reader on the nature, need and theory of forecasting; but, later on and quite as successfully, he would "un-sell" him by showing the present impossibility of doing it in any practical way, (Chapt. 4). On page 44 he concludes that "in consequence of these things we do not in fact now fully know where we stand in the trade cycle . . . . . nor shall we fully know . . . . . until we have been back for an adequate period on a real gold standard basis." Again, on page 45, he admits "that any failure of our trade barometer during recent abnormal years . . . . . need not be regarded as adequate evidence of any inherent defect in the underlying theory." This reminds one of the old saw about the doctor who claimed "the operation was quite successful . . . . but, unfortunately, the patient died."

After having thus "un-sold" the reader he tries to "re-sell" him again by declaring on page 51 "that business men willy-nilly must forecast the course of general business . . . . ;" that the "practical sense of the practical man will scarcely warrant fifty per cent accuracy . . . . and scientific forecasting will . . . . add perhaps another twenty-five per cent of accuracy to the judgment which must be made."

It is probably necessary to appreciate the mental attitude of the reading public to which this book is directed. No doubt the author felt he should be conservative in his claims. The attempt in this review is to size up the book for American readers. From their viewpoint we would not rate the book successful as a "contribution"; for it simply brings together material that is available elsewhere and it does not, on its surface, make clear the full justification for utilizing the processes of forecasting even if the forecasts themselves lack one hundred per cent accuracy.

In America the title of the book would seem to promise the reader, first, some assistance in developing forecasts to help in controlling an individual business; and second, some exhibit of practical methods for applying such forecasts in industry. Actually, the author has been satisfied to discuss within a limited scope some of the ways of measuring general business conditions and of projecting general trends into the future without showing how these general anticipations may be interpreted and applied in particular cases. His discussion provides a hasty record of the orthodox procedures for predicting business cycle swings in the light of historical precedents, but he enters no record at all of the equally important methods for judging an individual company's probabilities by studying the company's own "statistical position" as related to the "statistical position" of the industry in general. Since the author's aim seems primarily to argue for the forecasting of general business in terms of business cycles, the title of the book may well have been "Forecasting General Business Cycles."

In the English evaluation, the author's work would no doubt be dealt with more generously. In that country, the subject possibly needs discussion of just the sort developed according to the author's purpose and probably too much can not yet be claimed for general business forecasting there. Hence, if the author's purpose were solely to act as a liaison officer between the academic and the business worlds and between American experience and English possibilities, then his brief, meaty summary of certain American experiences will prove a worthwhile contribution in his own country.

JOSEPH H. BARBER.[2]

Business Management as a Profession. Edited by H. C. Metcalf, A. W. Shaw Company, Chicago, 1927, pages vii, 389.

Psychological Foundations of Business. Edited by H. C. Metcalf, A. W. Shaw Company, Chicago, 1927, pages vii, 309.

In these two books Dr. Metcalf is continuing the pioneering so notably begun in the collection entitled "The Scientific Foundations of Business." In order to get the most out of these books we must understand the background out of which they have grown. Each volume represents the contributions of a number of students of business administration offered at weekly conferences with a guiding theme supplied by the subject of the course. This means that much depends upon the logical development of the outline of the series and upon the aptness with which the contributors have been chosen.

Dr. Metcalf has now three times shown himself peculiarly adept at selecting timely course subjects and in fitting into his scheme contributors who, in a remarkable way, help to build up a real unity of thought.

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[2]Assistant to President, Walworth Company, Boston.

If one were to differentiate the volumes as to quality, which is very difficult to do, it might be fair to say that the psychological study, being somewhat more concrete and divided among somewhat fewer authors, gives the impression of greater homogeneity, power and interest. Yet, this is not to say that the other volume dealing with business management as a profession is far behind it in making an effective contribution to modern thinking about the professional requirements and aspects of the career of business.

In these volumes, as in the first, Miss M. P. Follett and Dr. H. S. Person again make contributions which stand out rather especially as new, coherent and vital.

Together the books represent an important addition to the newer type of thinking about business, and the patient reader who will not let himself be repelled by a somewhat heavy format, will be bountifully repaid.

ORDWAY TEAD.[1]

Forecasting Business Conditions. By Charles O. Hardy and Garfield V. Cox, The Macmillan Company, New York, 1927, pages x, 434.

In their preface the authors state: "We attempt here to describe the methods by which an individual can best predict the course of business prosperity for a comparatively short period rather than to make a contribution to the solution of the problem of controlling the cycle." The content of the book is in the main consistent with the purpose thus outlined. Since this work is written to appeal to students of business management and to business men, it is properly more descriptive than theoretical. It presents a general survey of methods most commonly used in business forecasting, but does not attempt to create a new system for the business man.

The volume derives its greatest value from the very considerable body of descriptive material that it presents. A brief consideration of the plan will suffice to indicate its usefulness: The first four chapters, by their non-technical explanation of needed economic concepts and statistical methods, furnish the business man a background for the rest of the book. The next five chapters describe the methods of business forecasting currently employed by five well-known forecasting agencies. Two chapters containing general discussion of theory and practice complete the first half of the book. In the second half, chapters are devoted to each one of a number of commonly used economic weathervanes, such as the stock market, railway transportation, and construction. Each chapter describes the existing indices on the subject, and briefly indicates the authors' judgment concerning the usefulness of each indicator. The rather lengthy appendix includes, among other things, extracts from the forecasts of several commercial agencies, and a general bibliography.

In describing the various methods and indices of chief importance, the authors have performed very well a lengthy piece of work. It must have been no inconsiderable task first to gather adequate information about the statistical methodology of five different forecasting services, and then to present the material on each in a single concise chapter. Likewise the assembling of leading index numbers for so many different significant lines must have involved much research and compilation. In the judgment of the reviewer, this phase of the work has been carried out in careful fashion.

The authors take as the most reasonable explanation of the business cycle, the hypothesis that it arises from the alternate overproduction and underproduction of durable capital goods. The maladjustments growing out of this constitute the train of events recognized as a business cycle. Naturally their judgment of the barometric value of the various current indices is considerably affected by the theory of the business cycle which they accept. Thus they emphasize the importance of series indicative of production and of the current volume of trade; they minimize the value of data pertaining to the money market and to the state of credit, when they say of interest rates, "for forecasting purposes they are to be regarded rather as indices of the current pace of business than as causal factors of prime importance in a cross-cut analysis." The reviewer considers this an understatement of the role of money in the business cycle. There are many times when money exercises a dominant influence on the course of business. Thus, during a period of depression the low level of interest rates stimulates long-time financing which in turn furnishes an impetus to business. The rise of rates during the later part of the prosperity phase of the cycle by its psychological and its mechanical effect has a great deal to do with determining the limits of the business expansion. Effective central bank control depends very largely upon recognition of the role of money in the business cycle.

A. ROSS ECKLER.[3]

Business Without a Buyer. By William Trufant Foster and Waddill Catchings, Houghton Mifflin Co. (for the Pollak Foundation for Economic Research), Boston, 1927, pages xx, 205.

Written, according to the statement of the authors in their preface, to give in a briefer and simpler way the main ideas of "Profits," this book admirably accomplishes its purpose. It is a worthy third to "Money and Profits." In the same clear, logical and forceful way, but without the statistical detail used in the other volumes, its argument is built up.

The principal idea is, that under a money and profit economy as at present organized, it is inevitable that consumers' volume of spending does not equal the volume of production. On the one hand corporate income from sales, in order to insure safety, must be greater than the total amount expended for goods, services and dividends. The margin thus retained, while it may be spent for so-called capital improvements, in such spending places purchasing power in the hands of consumers, but thereby increases the capacity for production which must be sold

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