The Stock Market. By SOLOMON S. HUEBNER. New York, D. Appleton and Company, 1922.—xv, 496 pp.

The Work of the Stock Exchange. By J. EDWARD MEEKER. New York, The Ronald Press Company, 1922.—xxiii, 633 pp.

Usually, when a professor and a business man discuss the same economic subject their methods of treatment are very different. The difference, generally speaking, is that the business man's treatment is more theoretical and more idealistic. The academic economist has become increasingly timid in making sweeping generalizations. He is so impressed, not to say confused, with the complexity of economic forces that he frequently refuses to venture any conclusions or to pass any judgments, contenting himself rather with a detailed description of practical operations. Much bolder, however, is the business man and his representative, the business journalist. He still sees the economic order dominated by a few grandly simple, eternal laws—laws that bring swift retribution upon those who defy them. But not only is the business man more of a theorist than the professor; he is also more of a moralist. Instead of contenting himself, as the professor is apt to do, with a discussion of how men act and why they so act, he is almost certain to pass a moral judgment on their actions. Matters are considered in terms of "right" and of "wrong". Much is said of the "sacred" right of the laborer to contract freely, of the "sheer robbery" of progressive taxes that "confiscate" the property of the wealthy, and of the "indecent extravagance" of the lower classes who use their excessive wages to buy silk shirts. If anyone doubts this idealistic tone in the business man's point of view, let him but read the editorials of such a representative journal as the *Commercial and Financial Chronicle.* A perusal of these editorials, bristling with wholesome advice and courageous rebukes to the laboring classes, gives one much the same feeling of elevation that one receives at an inspiring church service.

But all this, I fear, is beside the point except to show that it does not apply to the present case. For although one of the two recently published books on the stock exchange—that by Huebner—is written by a professor, and the other — that by Meeker — is written by a representative of the New York Stock Exchange, nevertheless they agree closely in their general viewpoint. Both books defend vigorously, not only the principle of stock speculation, but also the present methods of the organized American stock markets. To be sure, neither author denies the existence of evils in stock speculation; yet neither author discusses these evils at length or indicates that any considerable reforms are called for.

On the descriptive side of the subject both books are good—better, or at least more up-to-date, than their predecessors. But Meeker's work is more than good, it is admirable. His daily presence on the scene of action has enabled him to write a description both more graphic and more detailed than could well be written by an outsider. Even the student who is fairly familiar with the workings of the market will repeatedly run across some interesting piece of information in Meeker's book that is not to be found elsewhere. The chapters on "The Floor Trader and the Specialist" and on "The Odd-Lot Business" are examples of this wealth of interesting detail.

On the theory of stock speculation Huebner's chapters simply elaborate his well-known earlier writings on the subject. I think it fair to say that his defense is uncritical. He states the familiar arguments in support of speculation, but he pays almost no attention to opposing considerations. Much, for example, is said of the function of speculation as a price-stabilizer, but nothing is said of the extent to which prices may be *un*stabilized by ignorant and panicky speculation. Short-selling is given a clean bill of health without notice being taken of the objections urged against it by Mr. Samuel Untermyer and other critics. Puts and calls are upheld as a legitimate form of speculation without any discussion of the effect of these transactions on stock prices.

Meeker's defensive chapters, being a frankly *ex parte* argument, can hardly be judged by the same critical standards that must be applied to Professor Huebner's book. Of course, the general line of reasoning is the same. Two aspects of the subject, however, receive more detailed attention by Meeker than they have received heretofore—the function of the Exchange in widening the distribution of corporate issues, and the service of the Exchange in making an international market for securities. Both of these functions are highly important, and Meeker has done well to stress them.

It is clear that the chief contribution of these two books is on the descriptive rather than on the critical side of the subject. Indeed, one may question seriously whether there is anything to be gained from further refinements of the merely "literary" discussion of the pros and cons of speculation. In its very nature the problem is a quantitative one, involving a balancing of *amounts* of good and evil; the test, therefore, can be made, if at all, only by careful quantitative studies, especially by statistical studies of price fluctuations under the influence of varying types and degrees of speculative activity. Perhaps some light will be thrown on the subject by the increasingly numerous and careful researches on the business cycle and the business barometer. Meanwhile opinions, to be scientific, must be cautious.

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Nationalization of the Mines. By FRANK HODGES. New York, Thomas Seltzer, Inc., 1920.—xii, 120 + 68 pp.

This little book is good to read because Frank Hodges wrote it, because it deals realistically with a vital problem, and because it is brief.

First, to most of its readers the value of the book will lie in its authorship. Mr. Frank Hodges is a "type"—if a single individual of his kind can be a "type"—of a new, or at least a different labor leader. He has come up from the "ranks", is a graduate of a "labor college", was a conspicuous member of the commission appointed by the British government to inquire into the coal industry, has been both secretary and president of the Miners' Federation, and is still in his twenties. On the coal commission he embarrassed owners and employers by asking them many distressing questions about capitalization, depreciation, and the function of profits. Unfortunately he is known as an "intellectual" in the labor movement. Yet it is his ability to leave erudition out, to free his mind from a traditional statement of his problem, and to see the issues with which he is concerned realistically which gives him his distinct power. And these qualities of mind, possessed by so few with academic or business experience, are nowhere more noticeable in his work than in the writing of this book.

Second, to an increasing number of readers the book will be valued because of its unromantic concern with a significant problem in national economy. By the use of a single case it presents the question of the form of organization for an industry in relation to the welfare of the community. Great Britain is a typical industrial country and coal is its most important industry. For more than a century (though coal mining is very much older) the industry has been organized under a scheme of arrangements which make up what is roughly called "private enterprise". This century of coal mining and of private enterprise has produced certain definite and tangible results. These can be appraised by standards of minimum