

ordinary increases in output (due to increasing population) at a constant price level. Similarly the drop in prices from 1880 to 1895 kept profits down considerably below what would have resulted from the *actual* output at a constant price level, and in itself was instrumental in depressing that output.

'The "turnover" of foreign trade had become a *relatively* less important part of the whole trade of the country during the previous thirty years.

'The annual trend of increase in trade freed from all fluctuation has to a great extent been made up of the larger output of existing businesses increasing continually in size, and to a relatively smaller extent of the output added by new businesses.'

The investigation had, perhaps, some value in indicating the kind of pitfalls that have to be avoided in dealing with this class of statistics, and the care that must be taken to make them 'chemically clean', so to speak, before the investigation. Our own Oxford Professor Edgeworth remarked on this paper that there was ever in the class known as the non-statistical reader a

'natural and not altogether unhealthy suspicion of any technical method, any *organon* which seemed intended to supersede the use of common sense. It was Locke, or some one who wrote, like Locke, against the Aristotelian syllogism, who protested that the Almighty had not dealt so very sparingly with the noblest of his creatures as to make them only bipeds, leaving it to Aristotle to make them rational. A similar prejudice on the part of common sense against correlation and other mathematical instruments is to be apprehended.'

VI. *Examples. (b) Time series without the 'growth' element—Original inquiry.*

We can now look at an instance of a personal, as against a collective, inquiry.

Mr. Edgar Smith recently made an investigation, the results of which are given in his book *Common Stocks as*