

STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW

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**THE PRE-WAR BUSINESS
CYCLE**

1907 to 1914

BY

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PREFACE

THIS inquiry undertakes to determine the causes that produced the business depressions of 1910-11 and 1913 in the United States. Any such inquiry, however, involves also a discussion of the premature occurrence of those depressions as related to the normal ebb and flow of general business conditions abroad. It will be remembered that after the revival of 1909 was well under way, and a buoyant prosperity era was foreshadowed, the onward march of business progress continued uninterruptedly in Germany, England, and France—where only a mild reaction took place because of bad harvests—while in the United States there occurred the unexpected depression of 1910-11.

It will be remembered also that when the depression of 1913 occurred in the United States, universal business conditions were approaching the completion of a prosperity cycle, but that, even so, while business conditions in Europe were still prospering, this country sank into a state of depression.

The search for the causes of these depressions proceeds of necessity by the statistical method. But much of the statistical material used, reduced to a monthly basis, has not been embodied in this discussion because, in addition to being cumbersome, a great deal of it has been widely and systematically published elsewhere. We hope, therefore, to point conclusions from carefully chosen data concerning the factors conditioning business activity during 1907-14.

The specific problem of this treatise is the discovery of the causes of the business depressions of 1910-11 and 1913.

The last chapter, however, is devoted to an explanation of the varying lengths of business cycles, which we offer, based on the data and analyses in preceding chapters together with historical corroboration.

W. C. SCHLUTER

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