

## ARTICLES OF ACTUARIAL INTEREST

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AMERICAN STATISTICAL ASSOCIATION

*Journal*

Vol. XLVI, No. 253. March 1951

SAVAGE, L. J. *The theory of statistical decision.*

An informal exposition of the subject of Statistical Decision and a critical review of the book *Statistical Decision Functions* by the late Abraham Wald. Most treatments of the subject are mathematically forbidding and those statisticians who have not had the necessary mathematical training, and desire some knowledge of what this recent development in theoretical statistics is about, are recommended to read this article.

Mr Savage gives an elementary account of the basic ideas and demonstrates how solutions are obtained in some very simple cases. He is critical about the minimax estimate of the parameter of a binomial distribution and prefers the usual estimate, namely, the success ratio.

THE INSTITUTE OF CHARTERED ACCOUNTANTS

*The Accountant*

A series of articles has been included reproducing four very comprehensive lectures on the subject of *The Company Prospectus* delivered to the London and District Society of Chartered Accountants:

1. ALTHAUS, F. R. Viewpoint of the Stock Exchange. (Vol. CXXVI, No. 4024. 2 February 1952.)
2. BROWN, SIR SAMUEL H. The Lawyer's Approach. (Vol. CXXVI, No. 4025. 9 February 1952.)
3. BENSON, H. A. The Accountant's Approach. (Vol. CXXVI, No. 4030. 15 March 1952.)
4. WHYTE, LEWIS G. The Institutional Investor's Approach. (Vol. CXXVI, No. 4034. 19 April 1952.)

Vol. CXXVI, No. 4041. 31 May 1952

THE COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS. *Accounting principles*. xv. *Accounting in relation to changes in the purchasing power of money.*

This recommendation to members of the Institute of Chartered Accountants includes a valuable survey of the diverse opinions which have developed during the past few years on the question of accounting in relation to changes in the purchasing power of money. The importance of the economic and social issues is emphasized.

The Council makes a strong case for the further investigation of this controversial problem. In the meantime it recommends that historical

cost should continue to be the basis on which annual accounts should be prepared and, in consequence, the basis on which profits shown by such accounts should be computed, but that the effects of material changes in the purchasing power of money should be made clear in the directors' report or otherwise. The Council also makes a plea for further experimentation with methods of measuring the effects of changes in the purchasing power of money.

INSTITUTE OF STATISTICS, OXFORD

*Bulletin*, Vol. XIV, Nos. 4 and 5. April and May 1952

*Monetary policy—a symposium*

Two issues of the *Bulletin* have been combined and the whole has been given to this Symposium. It consists of two articles, *The New Monetary Policy and the Problem of Credit Control* by H. G. Johnson, and *Monetary Policy and the Crisis* by C. Kennedy, followed by comments from six eminent economists, F. W. Paish, R. F. Kahn, D. H. Robertson, J. R. Hicks, T. Balogh and R. F. Harrod. Finally G. D. N. Worswick contributes a *Conclusion*.

Mr Johnson deals with the technical problems of controlling bank credit, and Mr Kennedy considers the general problem of the role of interest rates as instruments of economic control. The discussion shows that on these issues there is a considerable amount of disagreement among economists and that this disagreement will persist until more knowledge of our economic structure becomes available.