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REVIEWS

Political Economy. By CHARLES S. DEVAS, M.A. Second Edition. (London: Longmans, Green & Co. 1901. 8vo, xxiii + 662 + xxiv pp.)

MR. DEVAS mentions in his preface that the whole of the *Economic Journal* has been published since his first edition appeared. This fact, which has served him as one of his reasons for enlarging and altering his book, may well serve the *Journal* as a reason for treating the present edition as a new work.

It belongs to the Stonyhurst Philosophical Series, which accounts for the asperity with which the author finds himself obliged to condemn the morality or want of morality of economic liberalism. It is a little disappointing to a reviewer rather desirous of a new sensation to find that there is so very little difference between distinctively Catholic Economics and that of other non-socialist, but philanthropic opponents of "economic liberalism," and that Catholic economic theory seems to include little which has not been taught by some or other well known agnostic. It is difficult to describe the spirit which pervades it, but a rough approximation to a description may perhaps be found in the statement that it always accepts as satisfactory economic changes which are more than a few generations old, but dislikes those of recent times, and teaches that they must be regulated, and in some cases reversed. As it is never more than a few generations behind, it progresses, but occupies the rear and not the van. Catholic theory seems to differ from other conservative theory only in being more thorough, and in its representation of religion as the force which is to prevent economic decay and destruction. The author belongs to

"the *Christian Ethical School*, a part of the revival of Christian philosophy in the second half of the nineteenth century, and whose claim is to possess entire the truth which the other schools or groups possess only in fragments; to be alone consistent with the whole of the observable phenomena, not merely with a part; and to be alone able to give the counsels that are of value for averting the decay and the convulsions that threaten us. For if the Christian family and Christian principles are driven out, two spectres will quickly stand knocking at our doors; one, the disorganised, unhappy, and sterile family; the other, the desperate and unprincipled civil strife for riches and power. And

we can dismiss the objection that it is unscientific to mix up economic discussions with theology. For precisely the questions of how men are to get their living, and of how families and nations are to continue their existence, are inseparably bound up with the moral and religious dispositions of the workers, of the parents, and of the citizens."

The difference, is, of course, by no means unimportant, but it does not much affect the body of economic theory, and so the chief defect of Mr. Devas's work is one which it possesses in common with the whole of the economic text-books of the present generation which do not come either from the ultra individualist or the ultra socialist extremes. This is a complete failure, or perhaps it would be better to say a complete absence of any attempt, to explain how and why human material wants are supplied as well as they are supplied in a modern civilised society. In such a society nobody except a few convicts is directly compelled to work, and yet nearly every one has a roof of some sort, bad or good, over his head at night, every one without exception is clothed and ordinarily receives food. The books take all this for granted: they rush into the middle of it, and point out this or that little piece of beautiful machinery, or this or that nut or screw loose, and leave the student with no clear conception of the whole arrangement, no idea of what the motive power is, or where it and the driving gear are situated. No examiner dare propose to put in a paper the question "Why do we get our breakfasts?" His colleagues would object, and the question would not be attempted by a single candidate so long as any choice remained. But if such a question were asked, we can almost imagine one examinee would say that the milkman brought the milk because it had been from time immemorial the custom for milkmen to take round milk, while another would attribute it to the beneficent establishment by a Conservative Government of the Board of Agriculture. Another would roundly deny that he got any breakfast at all: the so-called milk was all water, the bread sawdust and alum, the tea coloured laurel leaves and so on. Now if it were well understood that every writer of a text-book must put in the forefront of his exposition some general explanation of the motive power and machinery of modern industry, we should, perhaps, have fewer text-books, but we should have much less dispute between opposing schools, and, in practical politics, much less of that blind devotion to theory which constantly obstructs obvious improvements because they do not appear to tend towards some hastily conceived ideal. If any one desires a concrete example of the need for such teaching, let him take the fact that whenever the public want of a thing is acute our present industrial system raises the amount paid to those who bring either capital or labour to its production, and this rise of remuneration increases the product and tends to satisfy the public want. But so ill-instructed is "public opinion" that it almost invariably complains violently of the working of this principle, and does its best in every possible way to obstruct it. It has been so ever since history

begins and doubtless long before, and it is simply a disgrace to economists that it still remains so.

The book contains one or two definite errors in theory which should be pointed out. One is a curious attempt to revive the old exploded "productive" and "unproductive" theory under the new name of "industrial" and "non-industrial." Senior's exposure of the elusive nature of the distinction between making a commodity and altering it when made should long ago have disposed of this theory so far as it was founded on a supposed difference of the kind of work performed, while so far as it was founded on a supposed difference between work done by persons employed for the pecuniary profit of the employer and work done by persons employed for his consumption, it should have been dropped as soon as it was pointed out that this merely depends on whether there is a middle man or not. It is equally absurd to distinguish on the one ground the cook in general from the butcher and to distinguish on the other ground the domestic cook from the hotel or lodging-house cook. Mr. Devas asks "if really the butler and coachman produce an income for their master, why when his income is reduced is he so infatuated as to discharge them?" This is a very easy question, if the person questioned does not mix up, as Mr. Devas seems to have mixed up, real income and money income. Before the reduction of income the master's income consisted of certain things valued say at £900 plus the butler's services valued at £100, total value £1000 per annum. His income being reduced £100 a year means that he must now be content with commodities and service worth £900 a year. He discharges his butler because he thinks his butler's services are the portion of his previous real income which he can best spare. How far from plain fact the old physiocratic fancy can take its adherents is shown when Mr. Devas says "It is the master that feeds the menial, not the menial the master." To feed their master is, as a matter of fact, exactly the function of the butler and the cook, and to say that he feeds them is quite curiously the reverse of truth. We do not know how he becomes entitled to his income. He may become entitled to it because he produces nails or hats or symphonies, or because he owns a ship or a railway share or an opera-house. Generally through myriads of other exchanges his services to production are exchanged for (among other things) the services of his butler and his cook, and there is not the smallest ground for representing them as depending on him any more than he depends upon them.

Another bad slip occurs in relation to token coinage. The old and quite groundless view is here put forward that the value of token coins is kept up by limitation of the amount for which they are legal tender. Mr. Devas evidently has not followed recent currency controversies closely, or he would have remembered that the legal tender limit does not exist in relation to a vast amount of non-standard currency in France, Germany, the United States, and India, and that it is absolutely

inoperative in England. It is now a commonplace that what keeps tokens above their metallic and workmanship value is the facts that they are wanted for currency and that the mint has a monopoly of their production. Twenty shillings exchange for a sovereign not because forty-one are not legal tender for £2 1s., but because the mint will not make twenty shillings for less than a sovereign, and the Law Courts deal severely with people who endeavour to infringe its monopoly.

The book contains, as will have been suggested by the passage quoted above, a vigorous protest against neo-Malthusianism, and whatever may be the judgment with regard to the moral and physiological aspect of the question no economist with any knowledge of statistics will deny that there is great danger of the diminution of births going too far, as it certainly seems to have done in Australia and New Zealand. The difficulty is to decide what should be the remedy where this happens. The return to orthodox religion recommended by Mr. Devas is easier talked of than effected, and is it not the case that Catholicism has fought the fight in France and has been defeated? We should feel more confidence in it as a remedy for this and other economic evils if Mr. Devas could point to many great countries where high economic prosperity accompanies Catholicism at the present time.

EDWIN CANNAN

The Place of Compensation in Temperance Reform. By C. P. SANGER, M.A. (London: P. S. King and Son. 1901. Pp. 135.)

MR. SANGER is to be congratulated on the opportune publication of this short, closely reasoned, and dispassionate essay on a subject which has long been a bone of contention between "The Trade" and the more advanced temperance reformers, and to which public attention has recently been called by the discussions on the conflicting Reports of the Royal Commission on Licensing Laws. It will be remembered that both the Majority and Minority Reports agreed, though for somewhat different reasons, that the number of houses licensed for the sale of intoxicating liquors in England is excessive and should be reduced. Both Reports recommend that some compensation should be given to the holders of the suppressed licences, and that this compensation should be obtained by charges on the remaining houses. But whereas the Majority Report recommends full compensation based on market values, the Minority Report, after a lengthy argument to show that there can be, "in strict justice, no claim to compensation," proceeds to suggest a partial compensation not to exceed seven times the rateable value of the house, a sum which Mr. Sanger estimates at about one third of the real value (at least that seems to be the meaning of a somewhat enigmatic sentence on p. 93).

Mr. Sanger has no difficulty in demolishing the loosely worded argument of the Minority Report against compensation, and fairly