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Royal Commission by Mr. Webb. It should be read in conjunction with the report of his examination in the recently issued "Minutes of Evidence" (Cd. 7069). In that searching examination much of the case set forth in this book crumbled away. There remained little but the justifiable condemnation of bloated cash balances and of the neglect to hold at least a portion of the coinage profits in actual gold. Events have moved rapidly of late in the East, and the statement that "India is the land of dear capital and England the land of cheap capital" almost needs inversion to be a modern truism. India floats her loans on better terms there than she can do in this country, and Mr. Webb could not deny, when questioned, that a great industrial concern can be financed the year round in India on terms which would be cheap enough here. At the last annual meeting of the Indian and General Investment Trust, the chairman said "It is a curious feature of the time that, whereas the rate of interest is rising in almost all other countries, in India it is still tending downwards." India has her recurring periods of dear money, but we must not confuse seasonal stringency with chronic scarcity.

A difficult and highly technical subject has been handled, on the whole, with more practical boldness than theoretical knowledge, and the author has not justified his unsparing criticism of the existing currency system of India. Mistakes there have been, vacillation and hesitation there have been, but the great currency experiment has been a success. India has prospered mightily; her merchants, her traders, and her agriculturists have alike shared in that prosperity. And therein lies the justification of the currency reform. The time was ripe, however, for an investigation which would reveal the mistakes that had been made and provide against their repetition. Mainly by the tireless energy of Mr. Webb has that investigation been brought about, and he may, too, claim credit for having indicated by his criticisms the line which the inquiry should take.

H. M. Ross

Ārthā Neeti. By PROFESSOR J. SAMADDAR. (Published at Howrah in Bengal. 1913.)

THE book under review makes no claim to originality. It is an attempt to present, in the most elementary form, the principles of English Political Economy in the Bengalee language. Nothing worth mention has hitherto been done in that language in Political Economy, and it is to be hoped that as more is written on the

subject in the language of the people of the country, a distinct Indian school of economists will gradually be evolved. The present book, therefore, would deserve all the credit of a pioneer if only it had done its task in any tolerable manner.

We find it, however, a disappointing performance. The introductory chapter seeks to give a general idea of the history and development of the science. But this purpose has only been very imperfectly realised. The author's history of the science from the sixteenth century onwards is but a string of names which can leave no impression on the mind of the general student. A wrong impression is left by the way in which the conception of the Economic man is represented as the basis of an existing school of English economists. The descriptions of the Historical school, and of Professor Marshall and his followers, are very inadequate, and sometimes almost meaningless. About the Historical school, all that the author writes is : "The economists of this school arrive at their conclusions after considering the relation of the present social condition of a country to its history in the past. In their opinion, no conclusions on any subject ought to be arrived at without due consideration." Professor Marshall's characteristic principles are said to be, that "the character and efficiency of every man depend on circumstances," and that "progress in arts and industries can be achieved only if people are employed in those tasks for which they are specially fitted."

Worse mistakes lie scattered through the book. The author's explanation of the Law of Diminishing Returns, for instance, is absolutely meaningless; and he makes a mistake of the worst description. Here are his own words, translated : "In trying to increase the value of the produce of the soil by increasing the labour and capital employed on cultivation, the quantity of produce is gradually diminished." The explanation that follows is almost as meaningless as the enunciation. In the very next page he defines a "dose of labour and capital employed in cultivation" as "all the labour and capital employed on a field before the limit of productive employment is reached."

Some credit is due to the author for his renderings of economic terms into the Bengalee language. Yet even here, some of his efforts are scarcely felicitous. "Energy," "utility," and some other terms can be instanced.

A special feature of the book is the chapter on Co-operative Credit Societies, which takes up fully a fourth of the whole. There is more of exhortation and praise in the chapter than of science. There can be no doubt that the indebtedness of the ryot

and the grinding rates of interest prevalent in India, stand badly in need of a remedy, and that co-operative credit societies can do something in that direction.

There is a marked want of a due sense of proportion in allotment of space to the various subjects under discussion. Co-operative credit, as stated above, occupies a quarter of the book, while only half of that suffices for Money, Banking, International Trade, and all kindred subjects. The Quantity Theory, the doctrine of International values, Gresham's Law, the whole subject of Banking, and many other subjects get no consideration, while twelve pages have been devoted to a consideration of the policy of free primary education.

S. C. DAS GUPTA

Good and Bad Trade: an Enquiry into the Causes of Trade Fluctuations. By R. G. HAWTREY. (Constable and Co. 1913. Pp. 279.)

MR. HAWTREY'S essay is a continuous argument without foot-notes or references, and the only writer to whom obligations are acknowledged is Professor Irving Fisher. The book starts promisingly. Most expositions of the theory of money are framed in such a way as to suggest, though they do not really imply, that the value of money is determined in some special and peculiar way. Mr. Hawtreys's manner of statement avoids this false suggestion. By seizing upon the proportion of their resources that people choose to keep in the form of money as the central fact through which the demand for money is determined, he makes it easy to see that the determinants of value, in the case of money as in the case of all other things, are simply the general conditions of demand and supply. The way of stating the matter which Mr. Hawtreys has adopted is, of course, familiar to pupils of Dr. Marshall; but it has not, so far as I am aware, hitherto found its way into ordinary books.

Mr. Hawtreys's purpose is not, however, to develop a theory of money, and he does not proceed far in this direction. His main thesis is concerned with the causation of fluctuations. As a means of investigating this problem, he starts with the abstract case of an isolated country without a banking system, and employing only paper money; and he inquires what would happen if the stock of money was suddenly diminished. Having answered this question, he asks the same question again in reference to more and more complicated conditions. Thus, he first takes