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stances, the writer is more concerned with pointing out what, though not yet investigated, might profitably be investigated, than with the exposition of established results.

L. ALSTON

The Dangers of Democracy: Studies in the Economic Questions of the Day. By the late THOMAS MACKAY. Edited, with an Introduction, by Sir Arthur Clay, Bart. (London: John Murray. 1913. Pp. 328.)

THIS book consists of articles which the author from time to time contributed to *The Quarterly Review* between the years 1894 and 1909. It would have been improved if the editor had stated at the head of each chapter the date at which the article appeared, for it is not always easy to discover this from the text. Again, where books are reviewed, it would surely have been better to mention them at the head of the chapter. This would have avoided the perplexity which naturally arises on finding in Chapter VII. references to "authors mentioned above," when no authors have been mentioned above.

The late Mr. Mackay was probably best known by his *History of the Poor Law*, and as an uncompromising opponent of anything which could possibly be suspected of even the slightest taint of Socialism. We believe he even had leanings towards a post office conducted by private enterprise. The first three chapters of the book are on Trade Unionism, and Chapters IV. and V. deal with Wages and Savings, and the Minimum Wage. Chapter VI., on Democratic Finance, apparently written about 1896, is of more interest to historians than to economists. To the author's great alarm, imperial expenditure had then just reached £100,000,000 a year, but the revolt against democratic finance had, he believed, "come at last" (p. 185). Chapter VII., which was written about the same time, is entitled Orthodox Economics. It contains some now well-known criticisms of Ricardo, Mill, Jevons, and other economists, but is mainly occupied in insisting that greater attention should be paid to the writings of Whately, H. D. MacLeod, and Sir Louis Mallet. Chapter VIII. contains a vigorous denunciation of Municipal Trading, and Chapter IX. a not very illuminating criticism of the Reports of the Poor Law Commission of 1909.

These later chapters call for no special comment, but it may be remarked in passing that Mr. Mackay does not always appear to have been very well acquainted with the views of those he criticised. It is, *e.g.*, incorrect to speak of Henry George's

"crusade in favour of the nationalisation of land" (p. 248), nor is it true that "the only Socialist system which has been worked out in detail is that of Marx" (p. 276).

The first five chapters are the most interesting in the book from the point of view of the economist. They seem to us to display a misplaced optimism with regard to the ease with which industrial problems can be solved, combined with an undue pessimism as to the effect of methods which are being suggested by those who do not accept Mr. Mackay's individualistic creed, and of measures which are being taken by the working classes themselves. "Can this proletariat acquire the security and contentment which now belong to the property-owner, by any method other than that which has been followed by the property-owner himself?" (p. 13), is the question raised by Mr. Mackay, which he, of course, answers in the negative. But how did the property-owner acquire this security and contentment, is an obvious rejoinder which will naturally occur to many. The author seems to think that the tendency is always for wages to rise, and for the price of commodities to fall. Thus if the workers are only industrious and thrifty, there is nothing to prevent them becoming capitalists; or, rather, only one thing is necessary—free exchange. The labourer must have absolute freedom to dispose of his labour where he pleases, and for whatever wages he likes to accept, and all impediments in the way of his moving easily from trades where wages are low to those where wages are high must be removed. Trade Unions Mr. Mackay regards not merely as a form of tyranny, but as a dangerous obstacle to the free exchange of labour. Many pages are filled with illustrations of the practice and demands of Trade Unions at the time of the Engineers' strike in 1897, taken from the reports of the A.S.E. and from letters of employers to the Employers' Federation. With regard to all the cases quoted, we cannot help feeling that we should like to know more about the other side; why these demands were made, for instance. Many more pages contain graphic descriptions of the sufferings of blacklegs, which the author attributes to the tyranny of Trade Unions. It never seems to have occurred to him to inquire whether it is Trade Unions that are at fault, or whether the blame does not rest with the industrial conditions which make necessary Trade Unions and strikes, with all the sufferings they entail.

Mr. Mackay does not seem to us quite to have realised the importance of the standard rate from the Trade Union point of view. He admits that the admission of non-Union labour to a trade would

probably have the effect of reducing wages ; but this, he apparently thinks, would only be temporary and would not much matter, for wages would again be raised by the action of demand and supply. He regards labour as much more mobile than it really is, and does not seem to see that even a temporary fall in wages may involve great hardship. He severely criticises Mr. and Mrs. Sidney Webb's views with regard to parasitic trades, but he does not seem to be at all clear as to the meaning of the term. A parasitic trade is not one in which wages are low because the worker has other resources, as Mr. Mackay seems to think, but one in which the worker has to be maintained from other sources because his wages are low.

We do not mean to imply that these chapters contain no good criticism of Trade Unions ; on the contrary, the author lays his finger on several very weak spots, to the existence of which Trade Unionists themselves are fully alive. The disastrous effect of disputes about demarcation is a case in point.

In Chapter V. Mr. Mackay comes to the conclusion that the minimum wage is both impracticable and unnecessary. It is unnecessary because free exchange, unhampered by Trade Unionism, would bring about better results, and most of the usual arguments concerning the impracticability of fixing wages by law are well and clearly stated. Some of the arguments used, however, are based on assumptions which are by no means universally true ; *e.g.*, it does not follow that the establishment of a minimum wage always means increased cost of production (p. 162), nor is it "perfectly certain that increased cost of production will diminish demand" (*ibid*). It is no doubt true, as the author points out, that the minimum wage might mean that the inefficient would be deprived of their employment. But he fails to see that to allow them to work for sweated wages without a minimum is to bring down numbers of the efficient to their own level.

"Has the nation really grown sceptical as to the beneficent and organising power of Liberty?" (p. 205) asks Mr. Mackay. We agree with him in thinking that it has not. But it has, we believe, grown more than sceptical as the beneficent and organising power of the kind of *laissez faire* which he advocates.

H. SANDERSON FURNISS