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told, is a deductive reasoner. That is, he did his own work and did not do ours. But his work had to be done as a preliminary.' Recent developments of theory, however, show how very much Ricardo left for his successors to do in the same department of economic inquiry as that in which he himself excelled. That he did pre-eminently excel as a deductive economist need not be denied; but to imply that he left deductive political economy in anything like a complete or final form is to play into the hands of those who minimise the importance of deduction in economic inquiries.

In his bibliography, Mr. Gonner gives not only a list of 'works by Ricardo,' but also a list of 'chief works on Ricardo.' The latter division is not limited to books or essays, whose set purpose is to expound or criticise Ricardo, but includes, for example, such a work as List's *National System of Political Economy*, where the remarks on Ricardo are incidental and of comparatively little importance. It is of course difficult to name a standard work on economics in which Ricardo's name is not more or less prominent; but, on the principle adopted, there are certain omissions which seem unaccountable, especially as some of the books of which we are thinking have been previously referred to by Mr. Gonner himself. Amongst the omissions may be noted Bagehot's *Economic Studies*, Bonar's *Malthus and his Work*, Cairnes's *Logical Method*, Marshall's *Principles of Economics*, Sidgwick's *Political Economy*, Toynbee's *Industrial Revolution*, Walker's *Money*. Every one of these has something distinctive about Ricardo to which the attention of the student might with advantage be directed, and in particular the interpretations of Ricardo's doctrines and defence of them which are scattered through Professor Marshall's work constitute one of the most important contributions to Ricardian literature that can anywhere be found.

The preface contains a pleasing picture of Ricardo as a man; but it is to be regretted that space could not be found for a short biographical sketch and some account of Ricardo's other writings. The edition would also have been rendered more complete by a brief discussion of the special influences under which Ricardo wrote, and an estimate of his own influence upon subsequent economic thought and practice.

J. N. KEYNES

The Cooperative Movement To-day. By GEORGE JACOB HOLYOAKE. Methuen & Co. 1891.

The Cooperative Movement in Great Britain. By BEATRICE POTTER. Sonnenschein & Co. 1891.

MISS POTTER seems to regret that the British public gains its impressions about the Cooperative Movement from 'littérateurs and orators' of the middle and upper classes, who have hitherto 'voiced' the movement (p. 171). The two volumes before us are voices from the same undesirable quarter; and we must listen to them under pro-

test, till some *bonâ fide* working man shall speak the mind of his own class about the conflicting appeals made to it.

The two authors are agreed that Cooperation has reached a crisis in its history; it is at 'the parting of the ways.' 'Ever since the Newcastle Congress in 1873 . . . "sharing profits with labour" has been affirmed and reaffirmed as the saving faith of the Cooperative Movement. Delegates from the democratic store and federal corn-mill, associations as devoid of any growing desire as they were innocent of any original intention to share profits with or yield power to storekeepers, salesmen, foremen millers, and general labourers, have repeated word by word the creed of the individualist School of Cooperators with "three times three" cheers at each succeeding congress. Meanwhile the managers of these very associations have carried out their Owenite principles and democratic methods with rigid consistency in the extension of the productive departments of individual Stores, and in the formation of the two Wholesale Societies. The time came however when sincere advocates of the self-governing and profit-sharing workshop, sickened by false following and lip-service, brought the whole question to a practical issue' (Miss Potter, p. 176). The Congress at Dewsbury (1888) declared in favour of the principle of profit-sharing, and remitted the question of ways and means to the constituent societies. The result was that of 1,300 stores only four were prepared to recommend a bonus system to their members, and only five to suggest schemes of profit-sharing for the Wholesale Society's workshops (*Ibid.* 179). Miss Potter concludes that the Congress is not really representative (179). She admits too, that the majority of members are 'not convinced cooperators' (191). Yet in the 'Rules, Orders and Forms of Proceeding of the Cooperative Union,' adopted in 1875 and supposed to state the law and the creed, it is said (on p. 1, under the head of 'Objects'): 'This union is formed to promote the practice of truthfulness, justice and economy in production and exchange'—*inter alia*:—'2. By conciliating the conflicting interests of the capitalist, the worker, and the purchaser, through an equitable division among them of the fund commonly known as Profit.' The bone of contention is this 'fund commonly known as Profit.' Mr. Holyoake (see chapter xii.), Mr. Vansittart Neale, and Mr. Thomas Hughes would have it that the Stores and Workshops under the Union should carry out this second object as it stands, giving not only to the consumer but to the worker a share in the 'fund commonly known as Profit.' Miss Potter supports the official view, as presented by Mr. Benjamin Jones (Manager of the London branch of the Wholesale Society), and his companions in office,—that the division of profits among consumers is enough, and any attempts to make the workers share therein are necessarily vain, and that manufacture is best conducted by the Federation of Societies known as the Wholesale Society, and not by 'Individualism' (or independent societies).

Mr. Holyoake's new book, which covers ground already familiar to

the numerous readers of that veteran author, presents the Individualist's ideal of cooperation. Miss Potter, conducting the case for the other side, is freer from rhetoric and closer in argument. Her well-timed pleading for an Industrial Concert between Cooperation and Trades Unions will carry away many readers who may be stumbled by her frank alliance of Cooperation and State Socialism. 'The democratic form of cooperation (she says, p. 190) may either be considered as an *alternative* to State Socialism, or as a *stepping-stone* to it,' and she frankly elects for the latter. She tries to show that, as English Socialism and English Cooperation began together in Robert Owen, the union of Cooperation and Socialism is necessary to the realising of the Cooperative ideal and thorough social reform now. 'The keystone of Robert Owen's Cooperative system of Industry was the elimination of profit and the extinction of the profit-maker' (p. 21). Now in the Stores of the Cooperative Union, founded on the Rochdale model, profit was eliminated. 'The surplus over cost price, given by the purchaser, was returned to him in the form of bonus' (pp. 66-7); and, as every purchaser is a member, as the number of members may be unlimited, and as the government of the store is in the hands of the whole body of customers, there is thus provided 'a unique democratic foundation to an industrial organisation' (p. 70). When the Wholesale Society came into existence to act as general purveyor to the several stores as they did to their members, the same principle was acted on; so-called profits earned were divided (*i.e.* returned) to the several stores. The truth is (according to Miss Potter) that an association of consumers can make no profits, any more than an individual who does not buy to sell again, but buys to consume, or hires to enjoy (p. 96). And one inference she draws from this is, that 'whatever remuneration I choose or am forced to give, I cannot ask my employés to share in a fund which does not exist—profits' (*ibid.*).

No doubt, 'the fund commonly known as Profit' has points of difference from ordinary Profit on Price (though Miss Potter herself, p. 133, speaks of Joint Stock Companies as extinguishing the profit-maker and retaining the profits). But it is a 'fund which arises in a 'democratic Store' exactly as profit on price might arise in a private shop; for example, it may be large or small according to the 'exploitation' of the workers, whether in a store or a shop, or in a municipal undertaking, &c. Glasgow has its own gasworks; and, if it chose to underpay its gasworkers, the resulting cheap gas would be a profit to the Glasgow citizen, in the sense that it would be a gain obtained for him by the very means whereby profit is largely secured for the private employer. One sign that this is so even in 'democratic' stores is the existence of a Trades Union of Cooperative shopmen, to apply the pressure without which even Cooperative Societies will not give normal wages (cf. p. 98). But, suppose normal wages paid, is the said 'fund' to have no further interest for the worker? Is the relation to be that of ordinary 'wage-slavery'?

Not so, say Mr. Holyoake and his friends; cooperation is not really democratic unless the worker shares in this fund, even in the stores, but especially in the workshops. At present the official policy in England is, as has been said, to give him no share whatever.

Miss Potter defends the latter course; and bids even the Cooperative worker rely on his Trade Society. He certainly has found it necessary to do so. The Leicester Boot Society, 'the most perfect example of the individualist ideal' (Miss Potter p. 113, 139, cf. 149, &c., and Mr. Holyoake p. 134), grew up out of a strike of workers against Cooperative employers, namely the Wholesale Society. Even the bonus given by the Scottish Wholesale Society has not prevented occasional disputes with the Unions. The most fervid 'Individualist' will not refuse to go with Miss Potter in praising the resolve of the Trade Societies at all hazard to keep wages up to a 'living standard.' He may even allow that vulgar profit-sharing under private employers is all that Miss Potter says of it (pp. 154, 159). But he may continue to think his own ideal more in harmony with the aims of Trades Unions than the rival ideal is, and may still think a multitude of real industrial partnerships, where workers share in management and profits, to be a higher type of industry than a few colossal companies whose workers are hired servants with no more interest in the business than other hirelings. Miss Potter acknowledges the occasional need of decentralization and Home Rule (*e.g.* pp. 102, 184-5). The question is how far the process should go. No one proposes to go back to the system of independent artisans' production with elimination of the employer (p. 167). The 'Individuals' of the Individualism which is the rival ideal to Federalism are not single persons but single societies, which may possibly be federated but are to be governed by their own committee and not by the Central Board of a great federation. Like the Lancashire folk, they are conceived to have a liking for 'managing their own affairs their own way' (cf. Miss Potter p. 37).

Before accepting Miss Potter's contention that Federal management has succeeded where Individual groups have failed, a critical reader would expect her to deal with the former in the same thorough and candid way as she has dealt with the latter. He would expect her to go over the various productive enterprises of the English Wholesale Society, for example, one by one and tell us in each case how far success has been reached and after what failures. We read of 'Batley woollens manufactured at a positive loss' (p. 95) under the government of the Wholesale Society. Has the latter succeeded in its manufacturing at all, or only in its purveying of groceries? Till this is shown (and our two authors give us little help here with facts and figures) there seems no warrant for entrusting the Federal Government with larger powers. There may be failures of the Wholesale Society, to set against the long list of 'Individualist' failures, a list which need not be more discouraging than the 844 failures of Cooperative Stores in 20 years (Miss Potter pp. 186, 254), or the endless number of Strikes that have

failed. If the experience of the Continent and United States had been taken into account, the case might have had a different complexion. The Familistère at Guise may have much to teach us, if we are not too insular to learn it.

Miss Potter, however, though rejecting Individualism and its innovations, is by no means content with things as they are. Not even a *rapprochement* between Trades Unions and Cooperation will bring in the Millennium. Stores and Unions together embrace only a fifth of the working classes (p. 226). The Stores have only 12 millions out of the 10,000 millions of capital in the country (p. 225). To say nothing of the lukewarmness of the converts there are broad limits to propaganda. The very rich and the very poor will not be cooperators (226–7, 232). She might have added that of cooperators themselves only a very small proportion are shod and clothed by Cooperation, even if they are for the most part fed by it (cf. 233). She goes on to say that, even if propaganda could overtake all classes, there are certain kinds of work that could not be managed cooperatively (228–9). There are results that cannot be achieved without legislation. ‘The British Cooperative Movement has left the ownership of land and the means of subsistence in the hands of individuals. . . . If the English democracy therefore wish to complete the social changes prophetically described in Robert Owen’s *New System of Society*, if they are determined to add to the social production of wealth (brought about by the new industry), to the communal administration and control (introduced by the cooperative and trade union movements), the communal ownership of land and the means of production, they must use deliberately the instruments forged by political democracy, taxation in all its forms on unearned wealth and surplus incomes, and compulsory acquisition, not necessarily without personal compensation, of those portions of the national wealth ripe for democratic administration’ (p. 238). A compulsory association must supplement the voluntary. ‘But before we can have a fully developed democracy, the nation at large must possess those moral characteristics which have enabled Cooperators to introduce democratic self-government into a certain portion of the industry commerce and finance of the nation’ (239–40). It may occur to some of us that, if these qualities were universally developed, we might be able to dispense with the benevolent despotism of a State Socialism. Till they are developed, there is no doubt that the alliance of State Socialists and Cooperative Federalists will be of great moral benefit to the former and great material benefit to the latter.

It remains to be said that the most important discussions in the book on matters of theory are perhaps those relating to Robert Owen’s Labour Exchange (pp. 47–50, cf. 27). Miss Potter rejects the theory of value identified with Thompson and Marx, and bases value somewhat vaguely on ‘utility’ (p. 49). She does not make it quite clear on what grounds ‘profit on price’ is a deadly sin. If cost is rejected in favour of ‘wants’ as a criterion of value, it might be argued that profit even

on price need not involve another man's loss. It is not clear by what system of exchange, without money and without price (if it be so conceived), Miss Potter intends the ideal distribution to be effected. If distribution is to be effected *without* exchange, we should need to understand clearly who are to be the distributors and in what way they are to proceed. From the few passages where this is touched at all we should gather that the ideal is the old one of Louis Blanc 'unto every one according to his wants.' The questions that arise at this point would take us beyond the region of Cooperation.

JAMES BONAR

Note Storiche sulla Questione Giuridica dei Pagamenti Monetarii.
By C. A. CONIGLIANI. (Modena) 1891.

WHAT view should be taken of the terms of a money bargain when at the time of fulfilment the value of the money concerned has undergone a change? Even the burning question of Usury did not excite more eager debate among medieval thinkers than this problem. It was nothing unusual for a monarch to lessen the amount of good metal and declare the value of the coin to be as before, or to leave the metal as it was and declare the value to be higher than before (p. 6).

There were two leading views of the legal question. One class of theorists took their stand on 'the juridical form, the legal or extrinsic value' of the sum specified; they regarded money simply as the means of exchange, and abstracted from its metallic composition altogether. The value of the money was in their eyes determined by the will of the lawgiver expressed on the face of the coin.

Another class of theorists took their stand on 'the economical essence,' 'the metallic or intrinsic value' and saw in money nothing but a piece of coined metal, owing its function (of aiding exchange) purely to its metallic composition. In this latter view, the creditor should receive from the debtor not the same nominal sum as was specified in the bargain, but the same quantity of metal as was at the time of the bargain contained in the coins therein specified.

Neither Aristotle nor the Roman lawyers had decided the question, for it was not in their times an urgent one. The early commentators on the Roman law adopted the first or legal theory. But in divided Italy and Germany the evils of debased currency were soon felt to demand a theory that would give protection to the creditor; and, as the creditor was most frequently a landlord or a corporation, and the debtor a poor tenant or private consumer, the paths seemed smoothed for the metallic theory. Unfortunately, in these days before index numbers, the quantity of metal was the only criterion; and the desired adjustments were not in practice realizable (11). In England and in France, because of the early consolidation of the monarchy, the legal theory soon prevailed, though both countries had had a fair share of suffering from alterations of the currency (17 *cf.* 34). A uniformity of coinage