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use.' And so he himself gives the greater amount of space to this neglected side of the question. He endeavours to put in a clearer light the undoubted advantages of machinery in requiring an increase of skill and inducing a better 'distribution of labourers;' but, on the other hand, he emphasises the 'fluctuations and precariousness of wages', which result from that system of large industries which machinery encourages. He divides his treatment into an Introduction and five chapters. In the Introduction he first defines the scope of his subject, limiting his discussion to England in that era of machinery, which stretches from the publication of the 'Wealth of Nations' to the present day, and narrowing the application of the term *wages* to the sense in which it is used by General Walker to denote the earnings of a particular class, but enlarging it also so far as to consider *real* as well as *nominal* wages. The superior limit to money wages he finds in the *efficiency of labour*, and the inferior limit in Ricardo's conception of *necessary wages*. Between these limits competition will operate, depending in its turn on the relative numbers of capitalists and labourers, and the relative mobility of labour and capital: and fluctuations will occur in wages from time to time over and above the causes, which affect them in their *statical* as opposed to their *dynamical* aspect. And so machinery may influence wages in many ways. It may affect the superior or the inferior limit; it may 'give rise to different relations *between masters and men*'; it may increase or diminish the *mobility of labour*; it may or may not increase the *continuity of employment*.' These various aspects Professor Nicholson discusses in succeeding chapters, under the heads of the substitution of machinery for labour, the use of machinery as auxiliary to labour, its effects upon the division of labour, upon the concentration of labour and capital, and upon the mobility of capital and labour. Several interesting points are raised in the course of the discussion, which is as fresh and suggestive as it is thorough and exact. It will, we believe, repay the careful study of all—and they must be many—who are interested in the question.

L. L. PRICE

The Economy of High Wages. By J. SCHOENHOF. (G. P. Putnam's Sons.)

MR. SCHOENHOF'S intimate acquaintance with the practical details of manufacturing processes and the wide range of his enquiries—enquiries made in the principal countries of the Old World as well as in the New—ensure for all that he writes the attention of the student of economic science. But it is impossible to ignore the fact that Mr. Schoenhof's investigations have been conducted with a strong bias in favour of certain views. Mr. Schoenhof holds a brief against Protection. It is part of his case that American industries do not require to be guarded by a high tariff against the competition of other countries in which the standard of wages is lower than in the United States. In

order to prove this contention it would, obviously, be very convenient if 'the facts' should show that low-paid labour, in general, and the low-paid labour of Europe, in particular, is, in reality, dearer than the better remunerated labour of the American republic. Mr. Schoenhof has devoted a great deal of time and trouble to studying the question; and in his new volume he is happy to announce that 'the facts' fully establish the desired conclusion. Under these circumstances it is impossible for the conscientious reviewer of Mr. Schoenhof's work to avoid approaching his task in a frame of mind strongly tinged with caution—caution carried almost to the point of captiousness. So that, when Mr. Schoenhof presents us with a mass of figures relating to the coal-mining industry, and asks us to accept the inference which he draws from these figures that the better-paid labour of the Northern States is cheaper than the lower-priced labour of the South, it is our duty to point out that, although the conclusion which he seeks to establish may be correct, yet the basis upon which he founds this conclusion is by no means unimpeachable. For it is extremely difficult to accept without a large degree of reserve a comparison between the labour-cost of mining coal in different districts instituted without any allowance for local variations in the nature of the mineral, the character of the seams, the depth at which the coal is worked, the amount of haulage required and other matters of importance. Certainly, no one possessing the slightest acquaintance with the subject will consider that the difficulty is met by Mr. Schoenhof's remark that 'where a survey of production is taken on so large a scale a fair average of conditions may be assumed to exist.' However, taking Mr. Schoenhof's table of wages and labour-cost for what it is worth, it is a little awkward for the apostle of high wages that the State in which the cost of production is there shown to be by far the lowest is not the State in which the daily earnings of the men are the highest, but one which pays its colliers at a comparatively low rate. One feels maliciously inclined to cite against Mr. Schoenhof the quotation which he has prefixed to his book as a motto:—'A single fact is able to upset the systems of centuries and to turn whole libraries into waste paper. Neither resisting nor protesting avails against facts.' However, frankly, we doubt if any of the facts adduced by Mr. Schoenhof will either upset any old, or suffice to establish any new, system. Without following Mr. Schoenhof into the comparison which he makes between the United States and European countries in respect to the standard of wages, the efficiency of labour, and the cost of production, we may readily admit that, speaking quite broadly, high wages and low cost of production go hand in hand, and that cheap labour is often, in the long run, very dear. But it would, of course, be absurd to suppose that all you have to do, in order to double the efficiency of your workmen, is simply to pay them eighteenpence an hour instead of ninepence. What is the exact nature of the relation between the scale of industrial remuneration and the cost of production, is a

most important question, and one to which Mr. Schoenhof's book, replete as it is with useful information, can make no pretence of affording an entirely satisfactory answer.

DAVID F. SCHLOSS

Taxation and Work. By EDWARD ATKINSON, LL.D., Ph.D.
New York: G. P. Putnam's Sons., 1892.

THE present situation of the United States in respect to its tariff system has some remarkable resemblances to that of England at the commencement of the era of commercial reform; but as yet the Huskissons and Peels of the Union have not made their appearance. There has been, however, a good deal of sound and sensible discussion which will educate opinion and clear the way for practical measures. Mr. Atkinson's work, as might be expected, stands very high in, or perhaps above, the usual 'campaign' literature of election years. It is characterised by all the writer's skill in putting dry facts and figures in a telling and attractive way. We have the cost of the Federal Government worked out in terms of labour, which, if not quite in accordance with economic theory, is well calculated to impress the cardinal facts that the maintenance of the state is a benefit that must be paid for, and that profusion in public expenditure is a form of waste. But it is to the protective system that Mr. Atkinson directs his chief attention. He shows the evils that result from taxation of raw materials—the higher price of the taxed articles in comparison with those found elsewhere; the consequent check to manufactures; the weakened purchasing power of other nations—presenting, when summed up, a cost of ten times the revenue received (pp. 27 *sq.*). In the same graphic manner the small dimensions of the industries that are really protected when set alongside of the national production are displayed. 'It is singular,' says Mr. Atkinson, 'to observe how the special representatives of pig-iron, wool, and silver, have gradually assumed the control and direction of the legislation of this country. If regard be had to their relative importance the comparison may be made in more than one way; perhaps the surest way is to compare them with the products of the barnyard' (p. 49). Eggs and poultry are more valuable than the yield of the three favoured industries, 'the egg product is worth more than the wool of Ohio' (p. 50). This is a very good illustration of the truth of Prof. Marshall's statement that 'much of the failure and much of the injustice in which the economic policies of governments have resulted have been due to the want of statistical measurement.'

The most interesting and valuable part of the book is, however, that in which the author seeks to bring the revenue and expenditure of the United States into the form of a budget, with proposals for securing equilibrium between the two sides of the account. The long-continued high tariff has been due nearly as much to a defective budgetary system as to a belief in the virtues of protection. Until the public