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Review

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author insists that the principle of equality demands that in taxing incomes due allowance must be made for presumed savings. In this connection it is argued that the proportion of income which ought to be saved depends on (a) the nature and (b) the amount of the income, the proportions being larger in the case of incomes derived from labour than of incomes derived from capital, and in the case of small than of large incomes. Hence the principle of equality is held to justify both differentiation and progression in the income tax, as well as exemption of the amounts presumed to be devoted to "investment-consumption." Taxes on property are regarded as merely supplementary to the taxation of income, so that similar principles are applicable.

While the conception of the principle of equality as a guiding and unifying thread through the mazes of the theory of taxation is an attractive one, and while it is developed with great argumentative skill by Professor Einaudi, it does not appear to us that the results reached by the author can fairly be derived from that principle without the copious aid of fictions and unprovable assumptions. The same results, in our opinion, might be derived with less strain and greater directness from the principle of minimum sacrifice. This principle can, moreover, claim support from observed facts, whereas the doctrine that two equal incomes ought to be taxed equally is an abstract conception which does not necessarily compel assent, especially when considered in conjunction with its corollaries that higher incomes should be taxed proportionally more and lower incomes proportionally less. Indeed, Professor Einaudi's whole treatment of the subject amounts to an attack on the strict supporters of proportional taxation.

Some subjects which usually form part of treatises on public finance are deliberately omitted from this work. There is no discussion of the shifting and incidence of taxation, on the ground that this subject belongs to political economy rather than to public finance, though it is difficult to see how equality in taxation can be secured until it is known where the pressure of taxation rests. Nor is there any discussion of financial administration, which may, however, be regarded as a subject more appropriate to a work on public administration than to one on public finance.

Book III contains a full description of the chief features of the Italian system of taxation, with criticisms on questions of principle and occasional comparisons with other systems. For a brief but informing description of the Public Finances of Italy, which covers some ground not touched in the present work, English readers may be referred to the article contributed by Professor Einaudi to the *Economic Journal* of December, 1915. S.L.B.

6.—*The Data of Economics : expressly Designed for the General Reader.* By C. J. Melrose. xv + 388 pp., 8vo. London : Mitre Press, 1916. Price 7s. 6d. net.

This is one of those books by authors who do not drift in the main current of economic thought and whose work is consequently

rather difficult to appraise quickly. Mr. Melrose emphatically declares that he lays "no claim to any originality whatever," but there is a certain originality in his having carried out his intention of not referring to authoritative writers (p. ix) so completely that, if his index is to be trusted, and I think it is, he has managed to write 400 pages without once mentioning or quoting from Adam Smith, Malthus, Mill or Marshall. That is perhaps a refreshing change from the ordinary practice: it makes us more uneasy to find that Mr. Melrose never finds it necessary to mention the theory of final or marginal utility when he expounds his views on value, and doubt deepens into active distrust when we find that he thinks it will be time enough to discuss the question of population when rations have been made equal and we find we have not enough to go round. His special object is to make people see what lies behind their usual way of talking in terms of money, but he is anything but clear in his conception of what is represented by the sum of money which is called the national income. He says (p. 298) that before the war it was "estimated at about 2,400,000,000*l.* of which about 300,000,000*l.* was being invested abroad, while another 100,000,000*l.* or so went to replace used-up plant at home. Thus the annual national consumption, apart from capital investment, was somewhere about 2,000,000,000*l.*" It is difficult to explain the inclusion of what goes to replace used-up plant in the national income, which is understood to be the aggregate of individuals' incomes correctly calculated: if an individual calculates his income correctly, he will not include in it amounts which ought to go to meet wear and tear, depreciation, or obsolescence of plant. The entire omission of home investment, in other words of the *additional* plant, houses, &c., which constitute part of the so-called "real" income of saving people, is probably explained (though far from justified) by confusion induced by Adam Smith's unfortunate doctrine that what is saved is also consumed. When men are employed to build a factory, Smith and J. S. Mill, and apparently Mr. Melrose imagine the food which they consume to be the capital which is saved, whereas it is, of course, merely the "real" income of the workers. What the saving person gets with his money, the portion of real income which is saved and added to the community's capital is the factory itself. The only difference between investment at home and investment abroad is that in home investment the savers acquire new property at home, while in foreign investment they acquire it abroad: in neither case is it true that what is saved is consumed, since neither the money which is said to be saved in ordinary language nor the things obtained with that money which constitute the "real" income are consumed.

It is a pity that Mr. Melrose is an unsafe guide on the details of the economic machine, as a natural shrewdness prevents him from going very far wrong in the practical advice which he gives.

The publishers affix a note to the book in which they explain that it was ready to be published in September, 1914, and that only one chapter has been altered since. Then they add "It says much to the credit of the book that there is practically nothing in it that needs

“correction, or has gone out of date.” They seem to think political economy is written by politicians. E.C.

7.—*The Mortality from Cancer Throughout the World.* By Frederick L. Hoffman, LL.D., F.S.S., F.A.S.A. xv + 826 pp., 8vo. Newark, New Jersey : The Prudential Press, 1915.

Among the unsolved problems of medicine that of the cause, methods of spread and prevention of cancer deserves a leading place. It has exercised some of the greatest minds of our generation and also given scope for the display of as much fantastic theorizing as the authorship of the Junius letters or the whereabouts of the ten lost tribes. The statistical branch of the subject is a medley of good, bad and indifferent publications, ranging from the admirable and dispassionate reductions of data issued by our General Register Office to pamphlets intended to prove that some article of diet is the *real* cause of cancer.

Most students have felt the want of a handbook summarizing the positive knowledge so far accumulated and bringing together such statistical data as can fairly be considered worthy of further analysis. Dr. Hoffman's aim has been to prepare such a *catalogue raisonné* and he has, in our opinion, achieved a considerable measure of success.

The first part of the book consists of a statement of the evidence in favour of the view that cancer is becoming more prevalent in civilized countries, and of a description of theories which have been advanced to account for the facts, attention being specially devoted to those theories which have been propounded on the basis of statistical evidence. The remainder, and much the larger part, of the book is a collection of charts and tables gathered from a wide range of (mainly official) publications and comprising most of the statistical data which are at present available. A bibliography is provided, which, although naturally incomplete, is still very extensive.

With the exception of the subject of alcohol—or, of course, methods of measuring associations—cancer research engenders more violence of language than any other scientific pursuit. The average cancer expert may doubt whether his solution is really quite complete (although this is rare), but he has no doubt at all that all other cancer experts are in the wrong, owing to a combination of knavery and folly which he is seldom at a loss to find words to describe. It would be going too far to say that Dr. Hoffman has altogether escaped this cancerous taint. For instance, he argues strongly in favour of the view that cancer has really increased, and much of his argument seems to us extremely cogent. But he also permits himself to indulge in such rhetoric as the following: “For it is “self-evident that if the charge is true that in the past a large number “of deaths have been recorded as due to other causes than cancer, “when, in fact, such deaths were due to cancerous complaints, the “medical and surgical profession must have been grossly derelict “in its duty and inconceivably incompetent, considering the high “degree of attained proficiency in other branches of medicine and