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and often is, in certain countries, a cause of depression for the working classes.

Whenever he deals with purely economic topics, Father Antoine avoids endorsing exclusive views ; so, on value, he insists that we ought to keep equally clear of two dangers, namely, the wholly objective and the purely subjective notions of its origin. Making due allowance for his absolute submission to Aquinas (who, however, is far, even in our days, from being a despicable authority), it must be acknowledged that Father Antoine is a clear and sensible writer, and although, like many of his order, a keen, is constantly an upright and a straightforward controversialist.

E. CASTELOT

Cours d'Économie politique. Tome second. VILFREDO PARETO.
(Lausanne. 1897.)

THE second volume of Professor Pareto's treatise more than fulfils the expectations aroused by the first volume. The clearness of argument which was there so conspicuous is an equally marked feature of the second part, particularly to readers who are able to follow the mathematical demonstrations to which the author has recourse from time to time.

Apart from the mathematics, but certainly closely connected with the clearness of view of the problems treated which the use of symbols assists in developing, the volume before us commands both respect and admiration, while it impresses us as one of the most suggestive works which has appeared in recent years. Its advantages lie, to some extent, in more satisfactory treatment of details which have often been made only imperfectly to fit into a coherent system.

Having regard to what we wrote of the first volume, two points strike us in this second volume. The one is the admirable effect on the separation of distinct, but often not distinguished, ideas which the employment of the new term "ophelimity" has made possible. We could wish the difficulties which appear to us to stand in the way of its adoption were less. The other point is that, though the text is abundantly illustrated by statistical and historical references, in regard to both (especially the former), these illustrations appear to be more emphatically necessary for the development of the views presented by the author than was the case with some of those included in the first volume.

In his treatment of social evolution, our author naturally criticises the various views expressed by biologists on important points in the evolutionary doctrine. He deduces this interesting conclusion among others on the bearing of rival theories : if acquired characteristics are inherited, the advance of the race will involve a less total of individual suffering than in the contrary case. Though not refusing to consider what of truth underlies socialist schemes, the decision arrived at is

emphatic. The possibility that the nation or the race might benefit by subjecting itself absolutely to the guidance of those who are intellectually and morally superior to the average, is freely admitted. The actual realisation of such a result, whether the form adopted be that of protection or the more complete form of state socialism, is regarded with a doubt which may be called unbelief. Over and over again it is insisted that restrictions on the free play of competitive motives serve for little else than to hinder the adaptation of the society to those conditions which would, at the time, produce for it the maximum of utility. The equations of equilibrium, too, are employed to show that the organisation of production which free competition would tend to produce is identical with that which is required by the condition of a production such that, with a suitable distribution of the products, the maximum of "ophelimity" for each individual would result. The play of competition solves by trial and error the equations which the controllers of a socialist community need to solve *a priori*. Either method would involve waste of energy, but it remains to be proved that the latter would involve the less waste. This is enforced by the admirable illustration of a steam-engine, which, far as it is from utilising all the energy of the burning fuel, is yet a source of great advantage in the absence of some better and more economical mode of utilising that energy.

In the part of the work which deals with trade, an admirable examination of the true function of speculation is made. Elsewhere, in considering joint-stock companies, restrictions of their freedom are deprecated, and it is contended that the plan of requiring unlimited liability on the part of the managing director does harmfully limit freedom, while through the free play of competitive forces alone can we look for the development of a superior organisation for productive purposes than this has proved itself.

We are not quite able to follow the author in his conclusion that, of the two, the protection of agriculture is productive of less evil than the protection of manufacture. Though quite agreeing that the Méline tariff has probably checked the French export trade, we are inclined not to accept the comparison of actual figures given as conclusive, other influences, affecting many countries besides France, having contributed to the falling off which he cites. Whether it is possible to accept the statement that, sensibly, the chief products of industry belong to the class to which the Law of Constant Return applies, we should hesitate to say; and, to mention last the most considerable of the points where his theoretical treatment falls short of what is required, in our view, the separation of the entrepreneur from his endowment of personal qualities, relegating the consideration of the latter to the general treatment of capital, appears both unnecessary and undesirable. The object attained is to conceive of the entrepreneur as making neither profit nor loss as entrepreneur (as a result of free competition), though enjoying a revenue as the owner of personal capital of

a more or less valuable kind. If the error, which the author believes to be frequent in the English school, of confusing the capitalist and the entrepreneur, does not go beyond the association of a man with his own brains it will not be likely to produce much harm. This is, we believe, the extent of the confusion which remains in modern English views.

In placing the Ricardian exposition of rent in its proper connection with more modern and developed views, and in expounding the whole theory, not as displacing and upsetting, but as co-ordinating and confirming the teachings of the classical school, the spirit displayed by M. Pareto commands an admiration which can with difficulty be yielded to many other writings.

The special feature of the treatment of distribution was noticed in the last number of the JOURNAL. It is a great advantage to be able to deal with a comparatively simple expression for the distribution of wealth in the community, and a simple criterion of changes in the general distribution. Most of the useful results drawn from the "curve of incomes" would probably hold if, by the application, for example, of the methods of Professor Karl Pearson, a curve could be found which gave a much more accurate *fit* to the actual statistical data.

The conclusion, from the form of the "curve of incomes," that the distribution of income is not due to chance, appears to need modification. It depends on our reading of the meaning of the word *chance*. The remarks of Professor Pearson on this point are worthy of consideration in connection with those of our author. In his paper on *Skew Variation in Homogeneous Material* read before the Royal Society two years ago,¹ Professor Pearson points out that the normal curve of errors depends on certain assumptions, one of which may be not fulfilled if several dice be thrown at once, or a number of teetotums of the same kind spun together; while another does not hold for the case of several cards drawn at once from a pack. If we deny the name of *chance* to the cases of dice, teetotums and cards here named, the curves obtained by Professor Pearson, of which that of wealth distribution has itself been studied by him, may be said *not* to be the result of chance. For ourselves, we confess to being unable to assign a satisfactory meaning to the word chance so as to exclude such cases, and judging by the statistical results of these experiments, the form of the "curve of incomes" may be produced by causes which, though not yielding the normal curve of errors, can hardly be denied the name of chance. We cannot, either, share Professor Pareto's repugnance to the conception that the distribution of incomes is a chance distribution, though the description would be misleading if the vulgar interpretation of that phrase were accepted. The curve of incomes, which is not, in shape, unlike the curves of age-distribution of the population of European

¹ On this subject see also Professor F. Y. Edgeworth "On Some Recent Contributions to the Theory of Statistics." *Journal of the Royal Statistical Society*, Sept. 1895.

countries, may be the result of chance in the same sense that this curve derives its shape from the outcome of the chances which determine whether individuals shall continue to live or shall die.

A. W. FLUX

Die Sozialdemokratischen Gewerkschaften in Deutschland seit dem Erlasse des Sozialisten-Gesetzes. VON DR. PHIL. JOSEF SCHMÖLE. Erster, vorbereitender Teil. (Jena: Fischer. 1896. Pp. xviii, 211.)

GERMAN Trade Unions differ, in their origin, from those of England, in much the same way as the origin of the German constitution differs from that of the English. The English constitution has arisen, bit by bit, out of the needs of the moment. The German constitution was decreed ready-made by the Court at Versailles in 1871. Similarly, English Trade Unions have been obscure in their beginnings and variable in their aims. German Trade Unions, on the contrary, have been almost unchanging in their aims, and sprang into existence by the fiat of the labour leaders in 1868. This difference of origin was rendered possible by the fundamental difference which, as Dr. Schmöle points out in his Introduction, gives the key to the peculiarities of the German labour movement. This difference is that Trade Unions in Germany have been throughout subsidiary to political parties, and regarded mainly as means of political agitation. To supplant Social Democracy, Dr. Max Hirsch, a prominent Liberal, decided, in 1868, to found unions in Germany "on the English model," *i.e.*, on the assumption that the interests of labour and capital are really the same. To supplant Dr. Hirsch, Schweitzer, the successor of Lassalle, obtained, in August of the same year—while Dr. Hirsch was still making preliminary studies in England—the support of the Universal German Working Men's Association for the foundation of socialistic Trade Unions. Dr. Hirsch, on his return, thus found himself anticipated, and his friendly societies—for such they virtually are—have ever since dragged on an obscure and unimportant existence.

It is, accordingly, the Social Democratic Unions alone with which the present volume deals. It is a pity that Dr. Schmöle, in spite of the emphasis which he lays on the pre-eminence of the political movement, has not gone more deeply into the manifold reactions of this movement on German Trade Unionism. For example, much of his space is devoted to the efforts of the police to apply the Coalition Laws to the destruction of Trade Unions, and the counter-efforts of Trade Unionists to evade the laws. The singular fact that none of their energies were devoted to the repeal of these laws, which he leaves unexplained, can only be explained by their adherence to Social Democracy. For Social Democracy is too lofty in its aims to concentrate on any single practicable reform, and has never instituted any special agitation for freedom of combination.