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A REPLY

DR. CUNNINGHAM's suggestions as to the way in which the earlier chapters of my *Principles* were written, are not well founded. I once purposed to write a treatise on economic history, and for many years I collected materials for it. Afterwards I selected such part of these as helped to explain why many of the present conditions and problems of industry are only of recent date,¹ and worked it into the chapters in question. But they took up much more space than could be spared for them. So I recast and compressed them; and in the process they lost, no doubt, some sharpness of outline and particularity of statement. Nothing was retained that was not needed for use later on. These two chapters are a mere introduction; they have no claim to be a history: but they were not written without due consideration of those simple and well-known 'actual facts,' which Dr. Cunningham supposes me to have neglected.

Dr. Cunningham is mistaken in supposing that my book proceeds on 'the underlying assumption . . . that the same motives have been at work in all ages, and have produced similar results . . . and that the same laws hold good.' On the contrary, the chapter on The Growth of Economic Science insists that modern economists are learning from biology 'that if the subject-matter of a science passes through different stages of development, the laws of one stage will seldom apply without modification to others;'² and my definition of an economic or other social law is 'a statement that a certain course of action may be expected under certain conditions from the members of a social group.'³ As an illustration of this, it is urged that 'to wrest from history her true

¹ The chief of these problems I took to be 'whether it is really impossible that all should start in the world with a fair chance of leading a cultured life, free from the pains of poverty and the stagnating influence of excessive mechanical toil.' (p. 3.)

² *Principles*, Book I. ch. iv. §7. See also *Present Position of Economics*, §§ 3-7.

³ From the chapter on the Methods of Study, p. 83 of the second edition. I am writing in Switzerland, and am unable to supply the references to the first edition.

teaching on the subject [of land tenure] requires the effects of the common holding of land in the past to be analysed, so as to discover how far each of them is likely to act always in the same way; how far to be modified by changes in the habits, the knowledge, the wealth, and the social organization of mankind.' ¹ The whole volume is indeed occupied mainly in showing how similar causes acting on people under dissimilar conditions produce more or less divergent effects. The leading motive of its argument is the opposite of that which Dr. Cunningham ascribes to it. ²

Dr. Cunningham has misread what I have said as to the relation of the classical theory of rent to mediæval land tenure. He states that I 'say that it [Ricardo's theory of rent] will gradually produce a solvent which will explain much that is now unintelligible in mediæval economic history.' But what I really say is (*Present Position*, p. 50), 'We are able to cross-examine the facts of modern India; and I believe that our science working on these facts will gradually produce a solvent which will explain,' etc.; and again (p. 48), 'Economic science has done much, and will I believe do a great deal more in applying contemporary observation of the East to explain the economic past.' ³ These sentences indicate the drift of the argument in the five pages, at the end of which occur the words quoted by Dr. Cunningham. To represent me therefore as holding 'that when we possess Ricardo's theory of rent we know the inner working of the determination of rent in all ages,' is as though an engineer had urged that coal in gaseous mines should be riven by plugs of quicklime expanded by water, and a critic had represented him as suggesting that it should be done by mere jets of water. ⁴

¹ P. 87, footnote.

² Dr. Cunningham refers us to an article in which he maintains that 'economics is not a science of "cause" and effect, but a pure science like logic or geometry, where this conception of "cause" is not appropriate.' I hold on the contrary that economics is a science akin to biology, and not to logic; and that the conception of cause and effect is appropriate to it. There is therefore no common ground for the discussion of what the methods of economics *ought* to be, and I confine myself to observing that he is mistaken as to what my method is.

³ See also the latter half of *Principles*, I. ii. § 2.

⁴ In an article on *What did our Forefathers mean by Rent?* in *Lippincott's Magazine* for February 1890, Dr. Cunningham bases a similar criticism on a like misquotation, saying 'Those who hold that Ricardo's theory can help to supply "a solvent which will explain much that is unintelligible in mediæval economic history," appear to take for granted that mediæval and modern rents are closely similar.' And in his Presidential Address to Section F. of the British Association in 1891, he referred his hearers to that article with the suggestions that what I said on this subject was 'meant as a sort of scientific witticism,' and that I was 'making a joke.'

I will venture to trespass on the patience of the reader by explaining my position on this subject rather fully. I long held the somewhat extreme views which were once common in historical literature as to the habits of thought and action of the rural classes in primitive times. I thought that the sway of custom was then practically absolute in many relations of life; and I looked on the facts of custom as generally ultimate, and incapable of being analysed and explained. I have not departed very far from this position, and I still think it is in a great measure true. But lately some historians of mediæval times have assigned to custom a rather narrower scope and a rather greater pliability than before.¹ I believe that such a movement might easily be pushed too far; but that it is proceeding on the right lines, and that, pursued cautiously and with moderation, it may add much to our knowledge. The chief object of what little I have said on the subject was to make one suggestion which I hoped might possibly be of use to those whose knowledge of mediæval history is greater than mine; and who desire as far as possible to trace to their roots in human nature the causes that have made successive customs grow, change, and decay under the varying circumstances of time and place, and with the ceaseless development of social and political conditions, of trade and the arts of production.

My starting point was in the teaching of Sir Henry Maine and others that, since people brought up under the influence of custom have habits of mind *not* like ours, they are, for that very reason, able to persuade themselves that they are adhering to custom, when they are really modifying it. They adopt different means for attaining their ends from those which we do, and are not nearly as conscious of what they are doing. But I believe that the desire to do what is best for oneself is seldom wholly absent from human nature. Habit and prescription do indeed prevent many kinds of original individual action from being thought of at all, and they prohibit others: but there always remains a fringe of debatable ground in which a pushing character can assert itself. Those who know best the rural districts of England, or parts of the Continent or of India in which the mediæval tone lingers most, recognise the most fully how under a very still surface there may be running many keen little pursuits of private gain; and they tell quaint stories

¹ Among the most recent instances of this tendency are Prof. Vinogradoff's *Villainage in England* and Prof. Ashley's Introduction to M. Coulanges' *Origin of Property in Land*.

of sly devices for getting the best of one's neighbours even in the quietest corners of the world. The very quiet affords time and opportunity for elaborate manœuvring in small matters.

To hold this is quite consistent with the belief that in backward times and places there are many rights and dues which are, for a while at least, as rigidly fixed by custom as they could be by a modern law or a contract made out on stamped parchment. Primitive land tenures 'depend on general understandings,' and these in so far as they are capable of being expressed in modern business language, are generally to the effect that 'the ownership of land is vested not in an individual but in a firm, of which one member or members is the sleeping partner, and another member or group . . . is the working partner . . . When the sleeping partner . . . is restrained by law, or custom which has the force of law, from turning the cultivator out of his holding by an arbitrary increase of the payments exacted from him or by any other means . . . the payment made by the working partner is not a rent at all, but is that fixed sum or that part of the proceeds which the constitution of the firm binds him to pay.'¹

If then all the conditions of social life remained stationary and free from external disturbances, the divisions between the partners might long remain as independent of the theory of rent, as the division of the profits between the debenture and the share holders of a modern railway is of the theory of monopolies. But in fact custom is more or less plastic; and the theory of rent often gives the upper limit to the exactions which can be forced from the actual cultivator by a superior holder, who is in a strong position and is not effectively controlled by the supreme holder, the ruler of the land. When this limit is not nearly reached, an arbitrary increase of dues is indeed simply a tax; while English officials, who exercise full power under a sense of duty towards the people, when they have to fix 'rents' in a new district in the North, or at a periodical revision in the South, are consciously governed by such considerations as are discussed in economic textbooks under

¹ From the first section of my chapter on Land Tenure. The picture of Mediæval England which I had before my mind when writing this chapter resembled in its broad outlines that which is presented in Professor Vinogradoff's fascinating *Villainage in England*. I had indeed learnt something orally from his broad knowledge and clear insight, just at the time when I was most intent on the bearings of Indian experience on mediæval tenures. I was then teaching Indian cadets at Oxford, as Richard Jones had done at Haileybury. Jones' book was one of the first on economics that I came across, and his suggestive teaching as to the contrast between Mediæval and Indian tenures on the one hand and modern English on the other, gave a direction to a good deal of my subsequent reading.

both the heads of 'Rent' and 'Taxation.'¹ Most of the native land holders, on the other hand, like those in Mediæval Europe, make no formal analysis : but occasionally it happens to some of them to have to consider whether the necessities of the tenants, with their existing habits, leave a surplus out of which they could (with sufficient pressure) meet increased claims, direct or indirect. And whenever this is the case, they offer unconscious illustrations of the law of rent ; just as the expert cricketer fielding at slip, or the sailor bringing up his craft neatly to her buoy, does of the laws of mechanics.

But there is a difficulty. The more primitive the people, the slower and slighter, the less obtrusive and the more ' subterranean ' are the currents of change ; they do not obtrude themselves in the records of distant times, and they cannot always easily be brought to light without a clue where to search for them. The geologist studies the subterranean waters of his own country on the spot ; he analyses their causes, and finds out the mechanical and chemical conditions by which their paths have been directed. Equipped with this reasoned experience, he comes with a great advantage to the obscure questions suggested by the slender records of travellers in a new country, when they tell of lakes with no exit, and of rivers rising from the ground. Now my only suggestion was that the economic historian should in like manner explore contemporary customs on the spot ; and that, aided in like manner by modern analysis, he should use his knowledge to guide him in searching the slender records of mediæval customs for subterranean channels of change : we can examine and cross-examine the living, but not the dead. Whether the suggestion is a fruitful one, time alone can show. But it is clearly not of the same character as Dr. Cunningham supposed it to be, when once and again he omitted as immaterial the middle words of the sentence which he quoted.²

¹ Compare a foot-note in the chapter on Land Tenure (p. 685 of 2nd edition of my *Principles*). Some aspects of the question were brought before the readers of this Journal last September in Mr. Goodrich's interesting article on *Land Revenue in Madras*.

² Some of the points on which Indian experience seems to be suggestive are :—
i. The modes in which custom may be evaded without being openly broken ;
ii. The real vagueness and elasticity of some classes of customary rights, which at first sight appear definite and rigid ;
iii. The tendency of even well-informed observers to take little account of exceptions to the rule that dues and other payments are fixed by custom ; though when asked to enumerate the cases that really conform to the rule, they find that in the aggregate these are less important than those that do not conform ;
iv. The wide area covered in the course of a few generations by causes that forcibly disturb social and economic conditions ; such as famine, pestilence, war, civil commotion, the migration of courts, the rise and fall or change of abode of leading families, the migration of industries, etc.

This misapprehension of the aim and the substance of what I have said on the subject of rent is however only partly to be accounted for by his having read it hastily. Some misunderstanding would have been almost necessarily caused by the fact that Ricardo's teachings on rent do not appear to him to have the same general import as they do to me. For I regard them as containing a living principle applicable, with proper modifications, to the income derived from almost every variety of Differential Advantage for production; and applicable also under almost every variety of rights as to property, dues, and freedom of action, whether those rights be upheld by law or by custom: while he regards them as applicable only to the rents of farms from which 'all the corn is taken to one market.'¹

To begin with, though the matter is not of great importance, it seems doubtful whether, as a matter of history, this particular case ever occurred to Ricardo at all: for there was little corresponding to it in the circumstances in which he lived. Even now when modern machinery has centralized the milling trade, the accounts of farmers when they claim to be assessed to the income tax under Schedule D (instead of B), are a good deal complicated by their domestic consumption of farm produce. And in Ricardo's time corn was commonly taken to local mills; and much of what was consumed by the agricultural classes, an appreciable part of the whole crop of the country, never went to market at all: and the same was true, though in a less degree, of mutton, wool, and other things.

But even if this particular case ever did occur to Ricardo, it seems to me quite certain that he did not limit his reasonings in any way to it. What he did (for it is much the simplest and easiest, though not the only possible course) was to reckon the value of the produce *as that which it would have fetched if it had been all sent to the same market*. But this method of reckoning is consistent with a very broad and elastic application of those general principles of which the case referred to by Dr. Cunningham is but one special illustration.²

(in India inundations and change of river beds also are important); v. The many various ways in which such changes as these render old customs inapplicable and deprive traditional rights of all exact meaning; and vi. The rapidity with which such disturbances pass from memory and new customs acquire prestige; though of course nature repairs her ravages, whether physical or moral, less rapidly in a Northern than in a tropical climate.

¹ In his article in *Lippincott* he says that Ricardo's 'law assumes that the produce of the land is taken to market,' the word 'one' being omitted.

² The term 'subsistence farming' has several senses: I hold that in some the theory is directly applicable to it, in others hardly at all. Even when so little

The belief that the Classical theory of rent is bound down to that case has I think never been entertained by those who hold that Ricardo's principles of analysis, however incompletely developed at present, and however inadequate as yet for the very difficult tasks with which they have to deal, have done much already and will do more hereafter to help us to understand economic facts. If in my own small way I have on the one hand endeavoured to indicate how the general scope of the theory may be extended, I have striven on the other hand with no less care to show how inapplicable is the rigid letter of the theory even to the case of so-called competition rents in modern England, unless account is taken of a great variety of delicate and intricate side-issues and modifying causes.

In comparison with this difference of opinion as to the general import of Ricardo's teachings as to Rent, it is a matter of small significance that I am unable to follow Dr. Cunningham's application of them to particular problems. He says that according to Ricardo the diminished area of corn-growing in the Tudor times ought to have synchronized with a fall, and not a rise, in money rents. I hold on the contrary that Ricardo's teachings show, firstly, that the influx of silver in the Tudor times would have caused a rise in money rents, even though other causes might have been tending slightly to depress real rents : secondly, that a diminution in the area of corn-growing might be due to any of several causes ; and that if due to some of these causes, it would result in a rise ; if due to others, in a fall of real rents : and thirdly, that the particular cause which was the most prominent at the time, viz. a diversion of land from corn-growing to meet the new demand for wool, would produce a twofold rise in real rents. For it would necessitate more intensive cultivation, and thus diminish the return to the marginal dose of labour and capital and therefore raise the value of each quarter of corn ; and this in its turn would enable a smaller quantity of corn to suffice to remunerate the farmer for every other dose of labour and capital ; and therefore a larger corn-surplus, or corn-rent, would remain for the landlord.¹ I believe this reasoning to be a well-

of the produce is taken to market that there is no true market price, the general principles of Ricardian analysis can often be applied without using the term 'market price.' But in some cases and especially those in which the terms of partnership between the different holders of the land are 'fixed and unalterable, the theory of rent has but little direct application,' as I have said before.

¹ Thus the rise in money rent to be expected under Ricardo's theory, as I hold it, is threefold in all. And I had always supposed that what needs explanation in the history of rents during this period is not the fact that some of them rose much, but the fact that others did not so rise. A good deal has been written to account for this latter fact ; but I doubt whether we yet know all the causes of it.

known example of that set of doctrines which economists have in their minds when they speak of Ricardo's characteristic teachings as to rent.

I will now pass to Dr. Cunningham's minor points and take them in his order.

1. In the great empires and high civilizations of Athens and Rome, the machinery of commerce was of course highly developed ; but the sentence which describes how the Greeks failed to anticipate modern economic problems, refers specially to those problems mentioned at the beginning of this paper, which are concerned with the life of the workers rather than the machinery of commerce.¹

With regard to the business character of the Romans, I say in the second edition :—‘ They were strong and daring, steady of purpose, and abundant of resource : they had in constant use all the faculties that are required for business enterprise ; though as a rule they preferred to give themselves to war and politics. Singularly free from the restraints of custom, they shaped their own life for themselves with a deliberate choice that had never been known before : in fact, partly in consequence of the unity of the imperial power and the wide diffusion of the Roman language, there was in some important respects more freedom of commerce and of movement throughout the civilized world in the days of the Roman Empire than even now.’² The last

¹ It runs, ‘ The Greeks were more modern in many respects than the peoples of Mediæval Europe, and in some respects were even in advance of our own time. But they did not attain to the conception of man as man ; they regarded slavery as an ordinance of nature ; they tolerated agriculture, but they looked on all other industries as involving degradation ; and modern economic problems were unknown to them.’ *Principles*, p. 18. The same phrase however occurred on p. 16, with only a slight indication in the preceding paragraph that there was a special reference to ‘ Methods of Industry.’

² P. 20. In the first edition the middle of the passage was slightly different and spoke of the withdrawal of the leading Romans under the Empire from business. I was warned that this might be thought to introduce controversial matter ; and, as it was not essential to my purpose, I softened it. But I think it was true as it stood. The wealth of individual Romans has always been notorious ; it has only recently been surpassed in England and America, and as there were no stock-exchange securities then, a rich man could not easily keep his wealth together without taking some sort of part in its management. But most of it had its origin in the administration of the Provinces ; it was dug out with the sword and not the spade. The Senators were ‘ in fact as well as in law ’ confined in the main to agriculture and allied businesses, among which may be reckoned quarrying, brick, lime and pottery making, and so on. The Equites were often pushing and ‘ smart ’ in financial and other businesses. But even they owed much of their wealth to farming the taxes, and other political work, while—the most significant fact of all—the richest of them were personal favourites of the Emperor. Rome's trade consisted of imports with scarcely any exports ; and bore but a partial resemblance as regards mere

lines indicate sufficiently for the purpose of this particular chapter the existence of a highly organized machinery of commerce.

The notion that the Greeks and Romans were almost as modern in economic matters as in others is not a new one; a long while ago I studied it with a good deal of interest, and a rather strong hope that I might think it true. But I could not find what I wanted. For, though their economic analysis and theory was often lighted up by flashes of brilliant insight, and elevated by a philosophic perception that wealth is not an end but a means to the higher life of the (full free) citizen; yet it seemed to me not to be free from the same kind of weakness as has been found in their physical science. I thought that it was not really modern, as regards scientific method; and that the tone in which those who bore the brunt of industrial work were spoken of, was very far removed from us.¹

The power of wealth at Rome was great; the highest education was occasionally given to slaves as a matter of business; and there were some apparent resemblances between the relations of labour and capital there and in modern England; but they seem to me to be generally superficial only and not real. This however belongs to a class of questions on which there will always be some differences of opinion; and perhaps I should have expressed my own with more reserve. I will add that much in Cairnes' *Slave Power* might have been taken with little change from Mommsen; but this seems to prove not that Rome did care, but that the Slave States did not care much for the modern economic problems to which I have specially referred.

2. As regards mediæval free cities, I do not hold the opinions Dr. Cunningham attributes to me, and I cannot guess why he supposes I do.²

machinery, and scarcely any real resemblance as regards its influences on the character of the people, to the trade of Venice or Florence or Bruges, based as that was on manufactures in which the leading citizens took a worthy pride. I have not access to Mommsen's *History* just now. But I am sure I should not regard the passages, to which Dr. Cunningham refers on p. 495, as inconsistent with my opinions as to Roman business and industry. For when forming those opinions, I knew Mommsen's economic chapters almost by heart; and I read them again when writing the passage now under discussion.

¹ Had this been otherwise classical thoughts might have exerted more influence for good on mediæval economics, and the condition of the industrial classes might have been much higher than it is. See *Principles*, I. iv., § 1.

² The sentence which he quotes from my *Elements* (where, by the way, the reference to the mediæval towns is compressed into a short paragraph) has no meaning by itself. Its first words are, 'This modern view'; which is explained in the preceding sentence as the notion that the 'well-being of the industrial classes . . . is an im-

3. As to his third point, his criticism turns mainly on the word 'sheep' which he has introduced into his citation of a sentence of mine. The original runs: 'Thus the English large farm was the forerunner of the English factory in the same way as the English archer was the forerunner of the skill of the English artisan.' The English farm did not 'introduce' the factory, any more than archery introduced artisan work: but in each case character and habits formed by success in one occupation lead to a similar success in another.¹

4. As to his fourth point, I have not much ground for complaint; for I must have omitted some words, or the copyist must have made some slip in the sentence, which speaks of all 'writers on money before the sixteenth century.' I did not intend to make a collective statement with regard to all the writers up to that time from the beginning of the world; I was thinking chiefly of those who supported the policy of the staple towns. But though it may not be easy to discover what that sentence did mean, the preceding sentence seems to express distinctly an opinion inconsistent with, and thus to exclude, the particular meaning Dr. Cunningham has suggested.²

5. In the footnote on p. 42 of the *Principles*, I have referred

portant end in itself and not merely an important condition of political and military strength.' His quotation begins with the second word of the sentence.

¹ The sentence quoted in the text is the conclusion of a rather long discussion of the ways in which 'the capitalistic organization of agriculture pioneered the way for that of manufacture.' The chief of them was the early conversion of labour dues into money payments, and the relaxation of the bonds of custom of which this was partly cause and partly effect; while perhaps the next was the practice of primogeniture. The tenant's practice of borrowing from his landlord not only the land but also the capital invested in improvements began early, continued steadily, and was an important part of the movement. When the time came for a great extension of sheep-farming, the habits already formed developed very large pastoral farms; and these same habits later developed very large arable farms to meet the special needs of a later time.

² The preceding sentence runs:—'On the whole mediæval opinions as to the relation of money to national wealth . . . are to be regarded as confused, through want of a clear understanding of the functions of money, rather than as wrong in consequence of a deliberate assumption that the increase of the net wealth of a nation can be effected only by an increase of the stores of the precious metals in her.' By this I designed to express the fact that early writers did *not* analyse in modern fashion the notions referred to; and the following sentence, which Dr. Cunningham quotes, was meant merely to qualify this by saying that assumptions of the kind would be needed for a logical defence of some of their words. I really had in my mind men's actions rather than their words: but the sentence does not say so, and I cannot defend it. When writing this chapter I happened to be reading the latter part of Professor Ochenkowski's *Entwickelung*, which contains opinions on the contrast between mediæval and mercantile views as to imports and exports of the precious metals similar to those expressed by Dr. Cunningham (see especially Ochenkowski, pp. 211–3). I agree with them generally, but not entirely.

wrongly to Prof. Ochenkowski. He had spoken of 'industry showing itself as sensitive (empfindlich) about the full enjoyment of its freedom, and in particular as leaving those places in which encroachments had been made on the privileges granted by the Kings ('Rechte . . . welche durch die Könige den Städten gewährt wurden'). His statement is quite explicit; there was no room for a conjecture that he was alluding to the action of Gilds; and there was no need to refer to the Rolls to prove that he was not. But unfortunately I made a note of the passage as illustrating the mobility of labour in the Middle Ages, which I believe to have been much greater than is generally supposed; and somehow that note got associated in my mind with another cause of such migration, namely, the excessive regulations of the Gilds. I then entered the reference under this heading without looking at Ochenkowski again. It was a most reprehensible piece of carelessness.

But the Gilds to which I referred were those existing at the time; that is, chiefly Gild Merchants who persistently and with evil results regulated industry, and kept it within narrow and artificial lines.¹ I spoke of the places where industries 'were over-regulated by the Gilds;' but Dr. Cunningham has converted 'Gilds' into 'Craft Gilds,' though there is no reference in the note or anywhere near it to Craft Gilds; and in this case again his criticism turns mainly on the word which he has himself inserted in my sentence.

On the whole, then Dr. Cunningham has discovered one sentence in which there has been a slip, and which is not defensible, even if it is intelligible; and also one wrong reference. Further he and I differ in opinion as to Roman business, and other matters. But, speaking broadly, his criticisms proceed on assumptions that I hold opinions which in fact I do not hold, and which I believe I have not expressed; while in several cases I think I have definitely expressed opposite opinions. The criticisms in his present papers are part of a series, all with the same general purport, which he has recently published.² The first were in a paper read before the British Association in 1889, in which he represented my attitude towards the main body of the historical school of economists as one of antagonism. I think, indeed,

¹ Mr. Gross has made the evidence of this clearer than before. See especially the references to Vol. II. of his *Gild Merchant* given in note 3 on p. 43 of his Vol. I. He shows (*ib.* p. 114) that craft gilds did exist in the XIIth as well as the XIIIth centuries.

² References to the papers have already been given. They are: British Association 1889 and 1891, *Lippincott*, Feb. 1890, *Economic Review*, Jan. 1892.

that the most urgent need of our age is the investigation of contemporary economic conditions; but my position is, and always has been, one of respect and gratitude to those who, without contemning the good work that has already been done in scientific analysis, have given their lives to the study of economic history.

Thus his endeavours to interpret me to other people are almost as conspicuous for their industry as for their incorrectness. Some of them may be read by foreign historical economists and others who do not know my views at first hand; and the facts that he is a colleague, and was formerly (as he has just indicated) a pupil of mine might reasonably suggest to such readers that he could not fail to have entered into my point of view, to speak on full information, and to report me accurately. For these reasons I have broken through my rule of not replying to criticisms.

This breach of my rule makes me the more anxious to express my regret for the apparent want of due respect and attention which I have shown to the other criticisms of my *Principles*. Several of them derive such weight from their substance and from the names of those who wrote them, that I certainly ought to have made some reply to them. But in the aggregate they are not very much less bulky than the unwieldy Volume to which they refer: I do not work fast; and if I attempted to reply as I should wish to do, my progress with writing my second Volume, which is now slow, would altogether cease. So any acknowledgments I have been able to make to my critics have been in deeds rather than words. I can only express briefly my thanks for the good will, fairness and generosity of interpretation of those who on the whole condemned the book, as well as of those who on the whole approved it. I have tried to profit by their warnings; and many of the changes made in the second edition are due to their hints. Most of these changes are in wording and in matters of detail; I have modified, and tried to fortify or to make more lucid, the passages to which exception has been taken. But in a few instances the necessary changes have been on a larger scale. In particular the decision to bring back the study of Rent in relation to Cost of Production, to the place that had been originally designed for it in the general Theory of the Equilibrium of Demand and Supply, was caused by my having failed to make myself clear to two such able economists and such careful and generous critics as Professor Pierson and Professor Clark. The

next most important change, the further analysis of the notion of Marginal Cost in connection with the Law of Increasing Return, seemed called for by some suggestive remarks of Professor Edgeworth and Mr. Henry Cunyngname; and I owe much to the private as well as the printed suggestions of the illustrious Professor Wagner, and of Professor Ashley, Professor Nicholson, Dr. Bonar, and others. To all these I would express my thanks, and my regrets that I must have seemed to pass by without due regard many important remarks for the discussion of which I could not find place in the already over-weighted *Principles*, and which I have been unable to acknowledge in the ordinary way in special articles.

ALFRED MARSHALL