WILEY

Review

Author(s): H. O. Meredith

Review by: H. O. Meredith

Source: *The Economic Journal*, Vol. 20, No. 79 (Sep., 1910), pp. 405-407

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221034>

Accessed: 27-06-2016 06:58 UTC

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at

<http://about.jstor.org/terms>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Royal Economic Society, *Wiley* are collaborating with JSTOR to digitize, preserve and extend access to *The Economic Journal*

that she has failed hitherto to devise a proper means of intercepting, for the benefit of the community, the increase which has taken place most markedly in land values in that country. The controversial question of the taxation of "unearned increments" derived from landed ownership seems to us, we must confess, to be dragged into the quiet course of this disinterested narrative, rather after the fashion of King Charles's head in Dickens's well-known story; and neither in the case of urban nor of rural land is it by any means certain that all the beneficent consequences which Mr. Rowntree manifestly expects to flow from this single expedient will be realised in fact. But such is the final moral he would enforce. There are also some other occasions where he allows his political predilections to obtrude themselves with unnecessary prominence; but those of his readers who do not agree with the particular solution of such debated questions which he favours, will nevertheless be grateful for the scrupulous care and the unwearying pains he has freely lavished on the conception and the execution of this *magnum opus*. He has, in truth, conquered in this venture a new area for statistical research; and for the strategy and tactics alike which he has employed in his scientific work we entertain a sincere, respectful admiration.

L. L. PRICE

FOUR COBDEN CLUB PAMPHLETS.

Political Economy and Fiscal Policy. By PROFESSOR BRENTANO.
The Fiscal Policy of International Trade: Summary of Marshall's Memorandum. By J. M. ROBERTSON, M.P.

The Empire Aspect of Preference. By SENATOR PULSFORD, of Australia.

The Revolt of the Protectionists in Germany against their own Tariff. By ANONYMOUS.

(London: Cassell. 1908-9.)

PROFESSOR BRENTANO draws a parallel between the present position of the German Empire and the state of our own finances on the eve of the reforms of Peel and Gladstone. Whilst England under Free Trade pays off debt, Germany under Protection contracts it. In Germany now, as in England before 1840, the community is taxed very heavily for the benefit of organised minorities, whilst the State itself goes empty away. As a broad view of the position of the two countries and their fiscal histories,

Professor Brentano's picture may stand. When we go into details the result is less satisfactory. There is something revolting in the spectacle when a writer whose academic eminence is admitted adopts the controversial methods of workaday journalism. Professor Brentano is constantly careless of the niceties of economic reasoning, he frequently neglects the canons of ordinary logic, and occasionally displays an ungenerous temper. As regards economic niceties, we find him instancing the rapid growth of taxable income in England after 1853 without inquiring how far this was due to the depreciation of gold—needless to remark also without mentioning the high wheat prices which prevailed at the same period. We find him, again, stating as "an uncontested fact" "that the inland price of corn exceeds that of the corn price in the world market by exactly the amount of the import duty," and implying that this is irrefragable evidence of the burden thrown by Protection on German consumers both of wheat and of rye. Again, much of his general reasoning is open to criticism. "But was the new Protectionist policy at least the cause of an extraordinary economic progress of the German people? If so, such an effect of Protection would have manifested itself immediately upon the return to that system." A gross *non sequitur*! Nor does it stand alone. His defects of temper are shown in passages where he suggests that the Protectionist movement in England is due partly to the desire of the upper classes to provide for their sons in the Empire, the Army and the Navy, at the expense of the working classes (how this would be done is not explained), and partly to the evil designs of London business men who condemn Free Trade "for the very reason that it renders such abuses impossible as have been the cause of the attacks on Protection in Germany and in America."

The summary of Dr. Marshall's "Memorandum on International Trade" calls for little remark, since most economists are familiar with the original. It is worth while noticing, however, that it illustrates admirably the importance of scientists giving their best even when they write hastily or for popular consumption. Brentano's paper will hardly touch the mind of any reader, unless perhaps to make him suspicious of the cause which it advocates. Men who forgive the bias of a journalist or a politician are offended by the bias of a professed servant of truth. It is precisely here that Dr. Marshall's superiority is manifested. Readers may not be convinced by every opinion which he expresses, but they will not suspect him of prejudice, and will, there-

fore, listen more attentively to what he has to say. From this point of view we regret that the editor has introduced notes intended apparently to dot the Free Trade "I's" of the Memorandum whilst erasing the crosses of its Protectionist "T's."

Senator Pulsford, of Australia, has said something new about the fiscal problem. Casting about for evidence as to the probable outcome of tariff negotiation between the United Kingdom and the Colonies, he hit upon the idea of studying the history of inter-Colonial tariff agreements. Free Traders have constantly asserted on *a priori* grounds that great difficulties would be encountered if ever the Preferentialists got to business, but so far as we are aware no one hitherto has illustrated those difficulties in this way. I shall not attempt to summarise the argument. The senator most certainly should be read by men of all parties. It may be as well to warn the reader not to be put off by the opening sentence: "Will the Preference sprat catch the British whale?" It is almost the only *cliché* in a vigorously written paper.

"The Revolt of the Protectionists in Germany" is anonymous. The writer gives a straightforward and well documented account of the present position of the iron and steel industry in that country, and of the causes which led fifty-six firms to petition the Reichstag in 1909 for relief from Protection. The position in few words is that firms which do not themselves manufacture steel and the cruder steel products are at the mercy of the syndicates. Their foreign market is confined or cut away, whilst mixed works compete fiercely with them at home. The chief criticism which occurs is the old doubt whether we are justified in attributing to Protection all the evils of trusts. As Dr. Lévy has well shown, there are other reasons beside the absence of Protection for the comparatively innocuous character of the combination movement in England. But combination is growing over here, and is likely to grow. And if English industry generally were to change from organisation by independent firms to organisation by cartells, we should find a number of firms left out in the process, and complaining that they could do no trade in a Free Trade country.

H. O. MEREDITH

L'Impôt sur le revenu. Par JUST HARISTOY. (Paris: Alcan, 1910. Pp. 881.)

DISSATISFACTION with the direct taxation of France has expressed itself for many years in attempts to introduce a general