WILEY

Review

Author(s): George H. Wood

Review by: George H. Wood

Source: *The Economic Journal*, Vol. 13, No. 50 (Jun., 1903), pp. 224-226

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2220891>

Accessed: 26-06-2016 18:57 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

importance to Mr. Parsons' line of argument if destructive criticism is accompanied by constructive suggestion. More, too, might have been said of the importance and scope of the regulative powers possessed by local authorities, and the difficulty of combining the due exercise of these powers with the proper carrying out of building schemes. But, on the whole, the book deserves praise as a careful and thoughtful attempt to state what is a sound but probably unpopular set of arguments.

L. FISHER

The Economic and Industrial Progress of the Century. By HENRY DE B. GIBBINS. (London: Chambers. 5s. net.)

MR. GIBBINS has attempted a large task in essaying to put the Economic History of the world during the nineteenth century into a small volume, and in the main he has succeeded in producing a useful piece of work. His purpose is to interest the general reader as well as the student, and whatever may be objected to his methods as a writer of scientific history, it must be conceded that the general reader is benefited by the plain, straightforward manner in which the story is told.

The book opens with a sketch of the industrial conditions preceding and during the "Industrial Revolution," the only objection to which is that it is given in too much detail, thereby using space which, having to be made up somewhere, is obtained by omitting any mention of two, at least, of the most important features of nineteenth century industrial life. Of the remaining 62 chapters, nine are devoted to the progress of the United Kingdom, six to the conditions of the people, seventeen to international movements and progress, in which Great Britain has the greater share of attention, and the rest to various foreign countries and colonies. Over one-half of the book is therefore devoted to British affairs.

At the outset one objection has to be made to Mr. Gibbins' method, and this applies not only to the present volume, but to his work generally. Every statement of fact he makes, and every observation given in inverted commas, may be perfectly accurate and rightly quoted, but we have absolutely no means given of proving it. All must be taken on trust, for there is barely one definite reference to authority in the whole book, and the total number of sources indicated as consulted by the author is about twenty. Some of these, too, are of doubtful value, to say the least. If a history, and especially a pioneer history, of a period is to be of real use to students, the sources of information should be clearly shown, or if not, the least that can be legitimately expected is a list, at the end, of the chief sources the student who intends going deeper into the subject needs to examine. Mr. Gibbins recognised this in his *Industrial History* by giving such a list. But even the absence of references is preferable to

such allusions as "from an official paper of the French Minister of the Interior," (p. 59), or, to "a writer who was well known as an economist of some standing in England," (p. 136), when discussing so important and debateable a subject as the merits of early American systems of banking.

Mr. Gibbins, in introducing his remarks on the progress of the working-classes, uses a rather curious argument about the rise in the standard of life. Briefly, it is as follows: Wages have risen, and the cost of living has risen, not because prices have risen, but because "the labourer of to-day is not contented with what satisfied the men of an earlier generation" (p. 300). "Hence in dealing with the increase of wages we must not always assume that their purchasing power is necessarily greater, or that a higher wage represents a real surplus of receipts over a lower wage at a previous period" (*ib*). It has generally been assumed that if wages rise and prices do not rise in proportion, there is a net gain (or "real surplus") to the workers, and it is a new way of interpreting working-class history to assert that a rise in the effective demand power of a given generation over that of the previous generation is not in the nature of a real advance. It is the standard of life which is the real measure of progress, and so far as material things are concerned, our only measure of the rise in the standard of life is the increase in the necessities demanded by the workers to keep them efficient as wealth-producers. When, for instance, we find that of thirteen necessities of life, the average consumption per head increased by nearly 50 per cent. between 1860 and 1896,¹ we are measuring as nearly as can be measured with our present materials the value of the combined movements of a rise of wages and a fall of prices.

Mr. Gibbins' general conclusions are, that throughout Europe and America there has been substantial progress, and that the outlook for labour is brighter than ever before. It is doubtful if the time is yet come for making accurate detailed estimates of the progress of the masses in various industrial countries. The data are not yet collected in sufficient quantity, nor are those already collected of equal reliability. Only in our own country, France, U.S.A., and New South Wales (and in a lesser degree Germany), do we know the course of average wages, and in each of these places, except Great Britain, the records commence after the first quarter of the century. The changes in the prices of the necessities of life are even less known.

Probably all wages statistics extending over the greater part of the century show increases, the trades in which wages have progressively fallen are few. But Mr. Gibbins seems unfortunate in his choice of statistics, for, as far as those quoted for England are concerned, only one or two agree with a trustworthy authority. Take, as an example,

¹ See "Some Statistics relating to Working Class Progress," *Journ. Stat. Soc.*, March, 1900.

the agricultural labourer: Mr. Gibbins' figures, compared with the well-known averages obtained by Mr. Bowley, are as follows:

	1825.	1850.	1870.	1880.
	s. d.	s. d.	s. d.	s. d.
Mr. Gibbins	6 9	9 6	15 0	17 6
	(1824)			
Mr. Bowley ¹	9 7	9 6	12 5	13 7

Mr. Gibbins' figures are quoted as averages, so they should compare, roughly at least, with a sound average based on statements for each county. How far they fail to comply with this condition is seen in that, whereas they indicate an advance of 159 per cent. between 1825 and 1880, the advance was really but 42 per cent. Mr. Gibbins quotes Professor Thorold Rogers' *Six Centuries of Work and Wages*, and at p 510 of that book is given a list of agricultural labourers' average wages from 1767 to 1866, which, though calculated on a different plan from Mr. Bowley's, agrees with them in the main. If Mr. Gibbins had compared the authority he quotes with Professor Rogers', we cannot but think that he would have rejected the figures he uses.

It must not be assumed from these strictures that the whole of the book is erroneous. The commercial statistics, quoted largely from Macculloch for the earlier part of the century, and from official statements for the latter part, are accurate, and the accounts of commercial treatises and legislation bear comparison with more elaborate treatises. When a new edition is called for, the necessary corrections can easily be made, and this should be for some time to come the standard handbook of Nineteenth Century Economic History. The very full index makes it an easy book for reference.

GEORGE H. WOOD

Public Finance. By Professor C. F. BASTABLE. Third Edition. (London: Macmillan & Co. 1903. Pp. 780.)

REFERRING for a general estimate of this now classical work to Mr. Price's appreciative review of the first edition in the first volume of the *ECONOMIC JOURNAL*, we shall here confine ourselves to some of the passages which have been added in the third edition. They relate mostly to recent developments of financial theory and fiscal policy. Under the first head, "the theory of minimum sacrifice as the principle for distribution of the public burdens," the principles of local taxation, "the ever-recurring question of incidence," and other controversial topics are treated. Prof. Bastable, referring to diversities of doctrine comprehended under the generic principle of sacrifice, concludes that "these complications in the employment of the sacrifice principle seem to justify adherence to the objective standard of ability,

¹ *Journ. Stat. Soc.*, December, 1898.