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Review

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*Les Théories Économiques dans la Grèce Antique.* Par AUG. SOUCHON, Professeur à la Faculté de Droit de l'Université de Lyon. (Paris: Librairie de la Société du Recueil Général des Lois et des Arrêts, ancienne Mon. L. Larose et Forcel. 1898. 205 pp.)

THIS work is addressed by its author to economists rather than to Greek scholars (p. 12). Professor Souchon is aware that from the 17th century economists have apparently completely ignored and even disdained the economic theories of antiquity (p. 30). Indeed, at the end of his book, Professor Souchon finds that the contempt of rigorous economists, like Jean Baptiste Say, has more justification than has the admiration expressed by Roscher (p. 195). It is true that Greek thinkers did occasionally, in some few points, anticipate modern theories of political economy. Thus the discovery of the advantages of the division of labour, frequently ascribed to Adam Smith, had been made in ancient Greece, and was familiar to all its great writers on social questions, Xenophon, Plato and Aristotle (p. 80). The theory of coinage and of money, and the essential laws of the use of the precious metals were thoroughly understood in the numerous states of ancient Greece (p. 108). Aristotle has the great merit of being the first to trace, in a few lines of remarkable precision, the leading phases of the evolution of money, at any rate in its primitive stages (p. 114). But, on the other hand, what unexpected gaps and naive errors! A general theory of production would be sought in vain in all the literature of Greece (p. 68). On labour the ideas of the ancients must strike us as showing a remarkable want of depth (p. 87); but they appear profound when compared with the almost total want of exact principles on the subject of capital (*ib.*).

What, then, is the explanation of these singular deficiencies? It is not to be found in any incapacity for analysis on the part of the Greek thinkers (p. 196). It is entwined with the very roots of the economic life of antiquity. If Greek philosophers paid little attention to the functions of capital, it was because capital itself is the last factor in the genesis of production to make its appearance in history; and because consequently it never played in ancient Greece the preponderating part which it assumes in modern civilisation. Capital, difficult to amass at all times, was singularly difficult to amass in conditions so precarious as prevailed in ancient times; and even when amassed was violently scattered by the only distributive agency which arrested the attention of ancient writers—war and conquest (p. 89). Machinery and science, essential to the production of wealth on a large scale, were unknown to the Greeks; and production was consequently too insignificant a phenomenon to attract the notice of philosophers (p. 120). Again, if labour was not made the subject of any scientific inquiry, it was in part because of the contempt genuinely felt by the

antique civilisation for all forms of human activity except politics, war and agriculture (p. 71), though this contempt was least strong in the greatest commercial city, the Athens of Pericles (p. 75).

But granted that the attention given to economic questions was small because the phenomena of production had reached but a low grade of evolution (p. 116), why was not a higher grade reached by such a civilisation as that of ancient Greece? The ancients had not our passion for the production of wealth, nor could they understand that it was essential to economic progress (p. 121). And economic progress was not a matter of such vital importance to them as to us, because with us, if all labourers are to receive adequate remuneration, the product must be big; while the majority of ancient labourers were slaves to whom only the barest necessities need be apportioned (p. 124).

But above all the reason why there were in effect no economic theories in ancient Greece was that economics had not been differentiated from ethics (p. 32). Consequently the interest of Greek philosophers in economic questions, so far as such questions absolutely thrust themselves on their attention, was an exclusively moral interest and never purely scientific. Thus the Greek philosophers could not possibly reach a true theory of economic value, the corner-stone of political economy, because the only value they could imagine a thing having was a moral value (p. 127). Hence, too, the socialism of Plato rises far above the somewhat gross chimera which seeks peace in the brutality of economic equality (p. 154). So, too, the mediæval church denounced usury, not on the authority of Aristotle, though he did denounce it, but independently and because both the Fathers and Aristotle were under the domination of moral ideas (p. 198).

In conclusion then, it seems that the justification for an investigation into the very rudimentary economic theories of ancient Greece is that Greek doctrines are thereby discovered to be especially representative of an essential phase in the evolution of economic ideas: that phase consists in the domination of moral over economic conceptions, and the belief in the unlimited power of the State (p. 201).

The economic theories of ancient Greece have then a particular interest at the present moment, when we are undergoing a re-action from the excesses committed by the purely scientific political economy of the 18th century (p. 33), and when certain contemporary economists are showing a tendency to revert to ethics. And though the errors and shortcomings of the ancients should always be an awful example of the danger attendant on a confusion of economics with ethics, still the lofty inspiration of Socrates and his followers, and the energy of their appeal to the individual conscience and to the State to check the unbridled instincts of that "economic man" who was to be apotheosized in these later days, ought to give food for thought to those who are too readily inclined to believe that the clash of individual interests will in the end produce harmonious concords (p. 202).

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The book is a good one. The author expressly warns us in italics at the beginning with regard to this "*étude nouvelle*" that *elle n'est, en aucune façon, une œuvre d'érudition* (p. 18), and as a matter of fact it does not give us any more direct information about the actual theories held by the Greeks than can be got elsewhere. But it is an interesting study of the correlation of intellectual and material evolution. It does better than try to extract new meanings out of old texts; it shows us how those texts strike a modern economist, an economist, if I may say so, of cool and sober judgment.

The book would not, however, defy Momus. Professor Souchon hardly does justice to Plato's analysis of the advantages resulting from the division of labour, or to Aristotle's remarks on currency (in N.E. VI.). He overlooks an obvious correlation: if the theory of money was the most scientific contribution made by the Greeks to economics, it was because the Greeks were the first to invent a coinage. Most of the Greek words quoted have neither breathings nor accents, and I notice some other misprints: *κριτική* (for *κτητική*) p. 49, *χληρος* (for *κλήρος*) seven times on pp. 159-168, *διακοσυνή* p. 177, *Anicos* for *Anytos* (the accuser of Socrates), p. 118, and various German words on pp. 3, 9, 10, 22.

F. B. JEVONS

*Geldzins und Güterpreise.* By DR. KNUT WICKSELL. (Jena: 1898.)

"Does a fall in the rate of discount or interest tend to produce a higher or a lower level of prices? or does it have no effect? or without deciding which is the cause and which the effect, is the rate of interest correlated with the average level of prices, and what is the sign and magnitude of the coefficient of correlation?" These are the central questions which are attacked by Dr. Wicksell in a most excellent and careful book. We are tired with innumerable controversial books and articles by partisans who overstate their case in the hope of attracting followers. We suffer from a Bimetallic League and a Gold Defence Association. We are continually in danger of losing our heads in the heat of controversy. We therefore welcome a book which is moderate in tone, and which shows every sign of a patient and modest inquiry. Yet it is hard to feel satisfied. In a short book of less than 200 pages, everything cannot be discussed; but the reader is naturally disappointed when the particular points he is interested in are dealt with very briefly or not at all. The following criticism, in so far as it complains of omissions, must therefore be distorted by the personal bias of the writer, and does not necessarily imply any very serious deficiencies in the work.

The author's main contention may be given in his own words:—"Unsere Aufgabe wird deshalb sein, zu zeigen, dass in den Zeiter der thatsächlich beobachteten aufsteigenden Preisbewegungen der aus-