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Review

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depends on something valuable and something scarce, but these are nothing mystical, they are the goods themselves ; interest is a partial equivalent for the present goods themselves, not a separate equivalent for a separate element in production (645). Otherwise the two economists seem to be in fair agreement. Böhm seems to be right in regarding his own arrangement and choice of terms as the better of the two (648), though he reserves a full account of his own for the book on *Theory*, while giving Oswald's in the *History*.

The points are sufficiently obvious, and a laboured refutation was surely unnecessary. This is a characteristic instance of the way in which our author makes his book too long by an over-conscientious desire to leave no wrong statement unrefuted. There is no lack of more welcome additions. Bentham's contributions are now treated as considerable (*e.g.*, 56, 409, 410, and notes, also 316, 569). More is said now of Aquinas, Petty, and Vaughan. New writers, like Natoli, Lifschitz, Landry, Margolin, Tugan Baranovsky, have their meed of criticism. Bastiat's influence, greater in 1884 than in 1914, is now dismissed with a note of exclamation (350 and note). The extended discussion of Marx, especially of the posthumous volume that so disappointed the world in 1894, remains substantially as it was in 1900. Marx seems to have passed from current discussion into history, though it may be some years before he shares the fate of the brilliant Frenchman. As to our author himself, if his posthumous volume will not greatly increase his reputation, it will at least in no way detract from it or weaken the logical edifice fortified with such patience, learning, and clearness of vision.

JAMES BONAR

Nos Finances pendant la Guerre. By G. LACHAPELLE. (Paris : Armand Colin. 1915. Pp. vi + 306. 3 frs. 50.)

M. LACHAPELLE's great merit is his honesty. He makes no attempt to belittle the critical state of French finance on the outbreak of the war. He criticises with lucidity and vigour both the recent finance ministers and those political obstructionists whose pertinacity rendered the administration of finances almost impossible, causing a delay of twelve months in the passing of the budget of 1911 and of fifteen in that of 1913. But he is clearer in his political criticisms than in his economic exposition. He seems to have been uncertain how much knowledge of the financial system in France he might safely postulate, has decided to

postulate none, and in his endeavour to supply his reader with the requisite elementary information has spent so much time on his explanation of the organisation of the Bourse, the settlement days, the position of the Bank of France on the money market, that he has failed to make clear the temporary expedients for the financial mobilisation.

The book is divided into two parts, the first dealing with the finance before, the second with the finance during the war. But the division is not strictly maintained, and most of the second part is, in fact, devoted to the explanations just mentioned; and although particular chapters are given up to the effects of the crisis on particular bodies, in no single chapter will be found mention of all the measures affecting the body under consideration. For instance, nothing is said in the chapter on the Bourse and the July settlement of the fact that holders of the July loan might convert their stock into the new 5 per cent. war loan, and the uninitiated reader might well imagine from what is said in the chapter on the Bank of France that the 2,900 M. frs. advanced by that body to the Government was to bear no interest at all. The value of the book would, in fact, be greatly enhanced were an appendix added giving a summary of the measures adopted by the Government. At present the clearest portions of the whole work are the quotations from the speeches of M. Ribot. These are, indeed, models of lucid exposition.

The author very rightly lays special emphasis on the difficulties with which the Government was faced at the outbreak of the war. The budget of 1914 was only passed on July 15th; the peace loan of 805 M. frs. was only issued on July 7th. The bulk of the subscriptions were not made by investors. The Bourse was hopelessly committed. It is round the problem of the July settlement that M. Lachapelle develops his thesis. When the crisis came the speculators in the loan were unable either to place their stock or to take it up. The Government was unable to raise a new loan, and was forced to have recourse to the Bank. But apart from the position of the Bourse, M. Lachapelle thinks that at first no other way of borrowing was practicable, as the Government was too much preoccupied with military events. He gives the impression, indeed, that all the measures adopted at the outset were haphazard and forced on the luckless Government by the interested parties. The only steps taken before the war in preparation were the secret agreement between the Bank and the Government, signed on November 11th, 1911, by which the former pledged itself to provide 2,900 M. frs. at 1 per cent. interest should a

general mobilisation be declared before the Bank's charter was renewed (which amount was increased to 6 milliard on September 21st, 1914), and the printing by the Bank of a million and a half 20-fr. and 5-fr. notes. The Bank alone was prepared. It supplied the Government; it lent to the Bourse; it discounted for the other banks.

On the question of the forced issue of paper M. Lachapelle makes a curious comment:—Pour empêcher cette circulation de dépasser certaines limites, il fallait donc trouver le moyen de faire rentrer à la Banque les billets qui en étaient sortis pour les besoins de l'Etat. . . . Le ministre des Finances offrait une prime de 5 per cent., payable d'avance, à tous ceux qui verseraient leurs billets de banque dans les caisses du Trésor et, en échange, ceux-ci recevraient un bon de la défense nationale. . . ." The premium of 5 per cent. might, it is true, prevent the depreciation of the note, which thus acquired a peculiar value for a special purpose. But had the Government adopted any other method of borrowing from the public the effect would have been the same. An over-issue was avoided because the Government checked its demands upon the Bank.

Brief accounts are given of the measures taken in England and Germany in August, 1914, which would have been more useful for purposes of comparison had they not been introduced in the middle of the narrative. In writing of the latter country he says, however:—"La Banque peut, en outre assimiler à la couverture de son encaisse métallique les bons du Trésor, les lettres de change mises en circulation par l'État, les obligations de l'Empire à trois mois d'échéance et, enfin, les billets spéciaux des caisses de prêts sur gage, les *Darlehenskassenscheine*. De la sorte, les émissions de billets de la Reichsbank peuvent être sans doute indéfinies, mais elles ne sont pas garanties que par le crédit de l'État." This, of course, was not so. The bank discounted Government paper without the usually requisite signatures; but that paper is not included in the metal reserves, nor is it true that there is no limit to the issuable paper.

A. LOVEDAY

Die deutsche Volksernährung und der englische Aushungerungsplan. Herausgegeben von PAUL ELTZBACHER. (Braunschweig: Vieweg und Sohn. 1914. Pp. vii+196. Price 1 mark.)

THIS important and carefully written book on the German food question, in the preparation of which Dr. Eltzbacher has