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stands for any one of an indefinite number of equations,¹ each representing a curve passing through the given points? Both the methods present the sort of difficulty which the student of Euclid has to jump when, for the purpose of proving some proposition relative to triangles, he draws a figure which unavoidably presents other attributes besides mere triangularity. As Berkely says, "it is true that the diagram I have in view includes all these particulars, but then there is not the least mention made of them in the proof of the proposition." It seems to us quite tenable that the indefinite symbol "*f*" obtrudes particularity even less than a concrete curve-line. But it is natural that one who has attained such distinguished success as Mr. Cunynghame in geometrical political economy should be partial to that method.

F. Y. EDGEWORTH

The Theory of Distribution. By PROFESSOR T. N. CARVER.
(New York : Macmillan Co. London : Macmillan. 1904.
Pp. 287.)

PROFESSOR CARVER has not only shed new light upon his subject, but has also collected the rays from all other sources of illumination. Brilliant flashes from the latest literature, along with a dry light of classic origin, are reflected on his pages. The harmony between new and old expressions of truth commands belief. The work reads like a revised version of authorised doctrine. Many an old text which had almost lost its meaning overlaid with comment and controversy, now, as it were, retranslated from the original—not always very lucid—idiom, resumes the character of simplicity and truth. For example, the dictum that "rent does not enter into the cost of production," will nevermore, it may be expected after Professor Carver's explanation, perplex the inexpert. So the truth which Ricardo somewhat harshly expressed when he predicted the same sort of effect whether you "diminish the cost of production of hats," or "diminish the cost of subsistence of men"—the portion of truth in this analogy is restated with final precision by Professor Carver. Even so elementary a proposition as that which connects value and cost of production comes mended from his pen. Among other improved statements we may refer to that which defines

¹ In particular, a rational algebraical function $y = A_0 + A_1x + A_2x^2 + \dots + A_mx^m$; whether the constants are considered as numerous as the observations and so fitting them exactly, or less numerous, fitting the observations as well as possible.

the relation between production on a large scale and the maintenance of "a true equilibrium of demand and supply." Not all have perceived so clearly that there must be postulated a demand large enough to enable a considerable number of establishments to run at their full capacity. The definition of Profits, the conception of the *entrepreneur's* function, may be mentioned as another subject respecting which our author has cleared up controversy.

A work so complete does not offer much opening to critical comment. We may at least avoid the monotony of encomium by mentioning two points which appear to us debatable: (1) the author's definition of diminishing returns, in relation to economic equilibrium; (2) that "the law of marginal productivity can be applied to the earnings of business management as well as to the wages of other labour." On these points we could have wished that the author had been more explicit; but we do not feel disposed to be so ourselves at present.

F. Y. EDGEWORTH

Elementary Principles of Economics. By RICHARD T. ELY and GEORGE RAY WICKER. (New York: The Macmillan Co. 1904. Crown 8vo. Pp. vii.—388.)

THIS little volume, both in conception and in execution, seems to us to be an excellent introduction to the study of modern economics. The general arrangement is simple and appropriate. The manual is divided into four books, dealing respectively with Introductory Matter, a Brief Sketch of Economic History, Economic Theory, and Public Finance. Two appendices are added, the one containing subjects for essays, discussions and debates, and the other suggesting courses of reading. To each separate chapter in the main portion of the book is similarly appended a summary of the argument of the chapter, a list of questions to be asked and answered, and an indication of the literature which may be consulted most advantageously by the student.

Nor is the ordering of the material in each of the four separate books less felicitous than the general arrangement of the whole manual. The book on Economic Theory, for instance, is divided into four chapters, dealing respectively with Consumption, Production, Transfers of Goods, and Distribution. The very order of succession in which these divisions of the subject are treated suffices to show that the authors are abreast of more recent developments of theoretical discussion. Their inclusion of a distinct book dealing with Economic History proves that they are no less