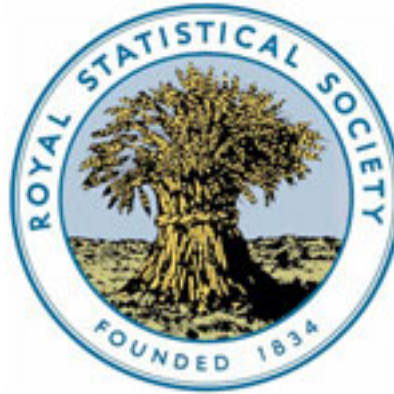


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L'Allemagne en France by Louis Bruneau

Review by: P. A.

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an engine is capital, but that burnt in a grate to give warmth is not capital). From the social point of view he considers that the bread in a baker's shop is not capital, although admitting it as capital from the individual point of view. A further application of the author's acceptance of the division of wealth into productive and unproductive is seen in the section on credit. Credit granted to anyone for purposes of consumption (*e.g.*, to enable him to obtain food) "renders no service from the general point of view, "since it does not augment the productive forces, and contributes "only to the satisfaction of a personal want" (p. 166). Does not credit granted to unemployed workers to enable them to maintain both their life and their strength render no service to society?

In the matter of international trade the author leans towards protection in the early stages of a country's development. He also puts forward the view that the importation of a foreign commodity, which, on account of its cheapness, displaces a home product, results in a net loss of labour (p. 308). Apart from the fact that a diminution of the effort required to gain a particular commodity is generally an advantage, there is no reason, in face of the illimitable wants of mankind, why the labour previously required to produce the domestic article should not, in time, be available to produce a less quantity of the domestic article *plus* the goods required to purchase the foreign article *plus* something else (or *plus* more of the foreign article than is surrendered of the domestic article).

As regards taxation, which is treated very briefly, the author doubts whether the principle of progressive taxation is more equitable than that of proportional taxation (p. 396).

From these few examples it will be seen that the author's views are not likely in all cases to find universal acceptance.

About 70 pages are devoted to Statistics. There are a few general remarks concerning averages and the collection and compilation of statistical material; a brief account of the authorities responsible for official statistics in France; while the bulk of the section is concerned with graphical or geometrical applications of statistics. Not all of the latter are as practical as they may appear. For example, diagram 13 is designed to show the rate of tax on any commodity which will produce the maximum yield. It is supposed that the consumption curve of the commodity, for different rates of the tax, is known, but this is just the fact which cannot be definitely known. Taxes cannot be altered rapidly enough to give this information, and size of population, wealth, and habits are variable factors which influence the yield of any particular tax.

The book contains a detailed table of contents, but it would have been improved by the addition of an index. A.D.W.

7.—*L'Allemagne en France*. Par Louis Bruneau. xii + 343 pp. 8vo. Paris: Plon, Nourrit et Cie., 1914. Price 3.50 francs.

The author of this book is one of that school of French writers who are obsessed by the "German peril" in its economic form, and

believe that German policy consciously aims at reducing France to the position of a mere dependency, from the industrial standpoint, of her powerful eastern neighbour. In order to endeavour to awaken his countrymen to a realisation of the danger M. Bruneau has undertaken a detailed investigation of the nature and extent of the German interests which have established themselves in France; and the volume before us sets out the results of his research so far as they relate to mining, the metallurgical industries, and the chemical industries (including dyes and colours, drugs, glues and artificial manures).

He has brought together a large amount of interesting and suggestive information as to German activity in these various lines; but his book is in the main merely a statement of facts, and there is little or no discussion of their economic significance and relation to national economy, and no definite indication of the remedies which the author would propose for the evils he describes, if evils they be. M. Bruneau appears to object equally to the grant of mining rights to German interests (often partially concealed behind a French façade); the acquisition by German manufacturers of existing industrial undertakings in France, or their establishment of new ones there; the giving of Government and other public orders to non-French contractors (in this case alone is there any discussion of the case on its merits, and it is noteworthy that the result is inconclusive); or even the purchase of German products by the general public. He is perhaps most troubled by the hold obtained by German iron and steel concerns over portions of the vast iron-ore deposits in French Lorraine and Normandy, which have been developed so rapidly in the last decade; and believes that these acquisitions have been dictated by the conviction that, even if there be no increase in the rate of consumption, the German ore deposits will be exhausted in 40 years. No doubt there might be in such acquisitions a real menace to the French iron industry, and a possible case for their restriction or prohibition, if they were likely to become very extensive and to be used solely for supplying works in Germany; but the first contingency seems very remote, and it is important to observe that German metal interests (notably those associated with Herr Thyssen and with the Gelsenkirchen Company) are actually establishing manufacturing works in France, as are German concerns in other branches of industry. Few protectionists, we imagine, have hitherto objected to an influx of foreign capital for industrial purposes, or the establishment of businesses by foreign enterprise, but M. Bruneau certainly does so; and this is the more curious because, with that tendency to depreciate the abilities of his own countrymen which characterises so many writers of his politico-economic cast of thought, he constantly complains of the low standard of technical training and business ability which prevails in France. We should have thought that M. Bruneau would have welcomed the advent of certain great German firms, whose achievements hitherto are the subject of his

glowing eulogies, and whose action must tend to increase the resources and industrial efficiency of his country.

M. Bruneau promises other results of his researches in a second volume. We venture to hope that in that volume, besides a careful record of facts such as that now before us, we may be given a full analysis of the evils with which, in M. Bruneau's judgment, they threaten the national economy of France, and a statement of the precise measures by which he would propose to avert the peril.

P.A.

8.—*American Railroad Economics: A Text-Book for Investors and Students.* By A. M. Sakolski, Ph.D., Staff Lecturer in New York University School of Commerce, Accounts and Finance. xii + 295 pp., 8vo. New York: The Macmillan Company, 1913. Price 5s. 6d. net.

Here is yet another book on railway economics, this time specially distinguished as American. Railway economics is a wide term. It covers everything from pure theory, such as Professor Edgeworth's *Theory of Railway Rates*, and Professor Pigou's discussion on joint cost and "monopoly of the third degree"—treatises which soar into an empyrean whither the plain man cannot attempt to follow—to a severely practical work such as the volume before us. Naturally Mr. Sakolski's book, being intended for Americans, is of more value to them than to foreign readers. But it should be of considerable value to at least two classes in England. The first class is the investor who desires to invest intelligently; for he will find here amongst other things a very good description of the leading classes of railroad securities, and will be able clearly to understand the difference between a blanket mortgage, an underlying bond, a debenture, and so forth; and secondly, he will find the great railroads of the United States grouped geographically and *trafficallly*, if one may coin the word, and also according to their system affiliations. These two things are in special chapters. But the whole book will be useful to anyone who desires to read the accounts and balance sheet of a railway company intelligently. It tells him what to look for; not only what is given in the figures, but also what may be behind them. Young railway officials in this country will also find the book helpful, especially in teaching the avoidance of unsafe comparisons. Adequate comparison of English railways with one another on the mere basis of their published figures is, of course, impossible. Even with the exhaustive data of the published reports of the American railways, comparisons are dangerous unless made with judgment and with knowledge of the differences geographical, financial, historical, &c., &c., which lie behind. And yet comparisons have to be made. A student who carefully reads Mr. Sakolski's book can hardly fail to get new points of view opened up to him, and to learn to make the comparisons which he has to make for himself more intelligently and adequately than he would otherwise have done. Mr. Sakolski's