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already within a decade created alarming ravages, are shown up in their truest light, taking account, of course, of all the recent reform legislation. Internal trade is not a subject which has been systematically treated before in books, though, of course, Mr. Morse himself, amongst other Customs Commissioners, has frequently studied the question in his official reports to the "I. G." Finally, the provinces and treaty-ports, together with their respective capacities and resources, are brought together in tabulated form, and the speculative British merchant is able to see at a glance where his account lies, should he be looking round for a new *gîte*. In a word, Mr. Morse's remarkable book is the most readable and informing of its class. Chinese in itself is not a popular study, whether it be in language, history, or philosophy; the modern commercial Gallio will therefore find exactly what he wants, without having to care for any of these things.

Q.

L'Individualisme Économique et Social. By Albert Schatz. Pp. 590. (Paris : Armand Colin, 1907.) Price 5 fr.

THE influence of the historical conception on economic theory, as, indeed, on almost every other branch of knowledge, is now so generally recognised as to have become a commonplace of current thought. To appreciate adequately the import of any economic doctrine, it must be studied in its historical development, and the theories of writers of the past must be interpreted in the light of the whole economic environment, including the philosophical thought of the time. This is a truth that finds, as we shall presently see, ample recognition in the work before us.

By this learned and exhaustive study of the origin, evolution, and contemporary forms of individualism, Professor Schatz has earned the gratitude of all serious students of the history of economic theory. The work, we are told in the preface, is a *résumé* of a course on the history of economic doctrine, delivered before candidates for the doctorate in political and economic science in the University of Dijon. While in this JOURNAL we are concerned with it mainly from the economic standpoint, it is certain that M. Schatz's comprehensive treatment of the subject will appeal strongly to students of the history of political science, as well as to those more especially interested in the history of economic doctrine. The book reveals throughout the

intimate connection of the political and economic theories of different ages with the contemporary facts of political and social life, on the one hand, and with the tendency of general philosophical thought on the other. The chapters on the "Psychological Basis of Individualism," on "Sociological Individualism," and on "Anti-State and Anarchist Individualism," will suffice to exemplify M. Schatz's recognition of the influence of philosophy, while, as illustrating the influence of economic facts, we may take his statement of the conditions under which Malthus and Ricardo wrote (pp. 161, 193), or, again, of those which gave rise to the doctrine of economic harmony as formulated by Bastiat, and to Carey's modification of the Ricardian theory of rent (pp. 259-62).

Prof. Schatz's work, it should be explained, falls into two parts, of which the first deals with "the formulation of the classical liberal doctrine," while the second and much the larger part discusses in greater detail "the different aspects of individualism in the nineteenth century." Individualism, as it appears in Greek philosophy, does not fall within the scope of the work. Our author confines his attention to the modern type, and this at the outset he is careful to distinguish from egoism. "In the reality of things, isolated individuals—Robinson on his island, Simeon the Stylite on his column, and Alcestis fleeing to the desert on the approach of men—are the exceptions who are of no other interest to the economist than that they furnish him with more or less probable hypotheses" (p. 559). Living man is a social being, and individualism is concerned with him in his social relations.

Of individualism in this sense, the origin is found in the mercantile system, and the anti-interventionist and liberal reaction to which it gives rise. "Spirit of independence and emancipation, it requires, before becoming a doctrine, to struggle against the spirit of subordination which is the soul of mercantilism, and that struggle in which it has against it all the historical past of the nation and the hereditary formation of individual temperaments can only be successfully undertaken when the excessive intervention of the State has produced grievous results" (p. 14). Again, "Industry is stifled under the strict rules which are imposed on it, and which become more and more incompatible with the growing complexity of economic life" (p. 30).

But at the basis of all economic doctrine there is a psychological theory, and this our author finds in Hobbes, who estab-

lishes personal interest as the essential motive of our action. By the school of the moral sense, personal interests are shown to be not divergent, as with Hobbes, but convergent and harmonious, while Mandeville shows that the harmony of interests is not voluntary, but involuntary and objective, resulting from the natural interweaving of our actions in a society where division of labour reigns (pp. 40–44).

There follows an exposition of the classical liberal doctrine of the eighteenth century, as embodied in the doctrines of the Physiocrats in France, and of Hume and Adam Smith in England; and the first part of the work is completed by a discussion of the constitution of scientific liberalism as set forth in the theories of value, population, and rent. This plan involves the covering of much already familiar ground, and thus affords only limited opportunity for adding to what is now current economic knowledge. But, in summarising the views of the different authors, whose work he has selected as typical, M. Schatz shows marked expository power and skill in interpretation. In illustration of this, we may point to his account of the Ricardian theory of rent (pp. 176–81), or his comparison of the protectionism of Malthus with that of List (p. 184), or, again, his remarks on Mills' theory of international value (pp. 223–4). A striking example of M. Schatz's method is his treatment of the philosophy of Hume and Adam Smith, which he holds to be related to that of the Physiocrats in its theism and optimism, while it differs from the latter in being empirical and realistic. Of Adam Smith's reference to the "invisible hand," our author says: "*Sans doute, il y a plutôt là, chez Smith, une métaphore suggestive que l'affirmation d'une foi irraisonnée, mais l'idée théiste est dans son esprit*" (p. 116). Specially worthy of notice is the critical examination of that much-discussed doctrine of Adam Smith on the measurement of value—a doctrine based, as M. Schatz observes, on the old idea of Helvetius, the original identity of men (pp. 129, 495).

The classical liberal doctrine flourished in a society where production was regarded as the main consideration and problems of distribution were as yet treated as of secondary importance. In his second part, devoted to the different aspects of individualism in the nineteenth century, M. Schatz begins by distinguishing between Liberalism, the form which the old classical liberal doctrine now takes in France—"a social system which exalts liberty, and, by reason of the good effects which are believed to follow it, sees in liberty an end in itself, an ideal that should be

realised by all means"—and Individualism, the form which it takes in England—a social system which exalts the individual, and which, though it is, like Liberalism, founded on liberty, yet claims that, not as an end in itself, but merely as a means for the realisation of a higher end, the development of individual character. "*Avec Stuart Mill, nous verrons la doctrine classique évoluer vers cette conception plus large et plus souple, plus susceptible de se plier aux nécessités économiques nouvelles*" (p. 198).

But surely as much might be said of the "simple and obvious system of natural liberty" itself, in his treatment of which M. Schatz, it appears to us, does something less than justice to Adam Smith's position. After mentioning a number of the exceptions allowed by the latter to the rule of non-interference, M. Schatz says: "*Il y a donc une certaine dose d'opportuniste dans les préceptes que conduit à formuler le système de liberté naturelle.*" (p. 145). Adam Smith's system of natural liberty is really a much more comprehensive system than the system of *laissez-faire*, and the difference is not to be accounted for by "*opportuniste*," however generous the interpretation of the term.

But to resume. In his second part, M. Schatz deals in successive chapters with the complementary developments of the classical doctrine by Dunoyer with his seven economic stages in evolution (p. 202), and by J. S. Mill—"le véritable représentant de l'individualisme économique" (p. 217); the constitution of orthodox liberalism by Bastiat and his disciples; the conjunction of economic and political liberalism; the individualistic interpretation of history by de Toqueville and Taine; liberalism and Christianity; the sociological individualism of Herbert Spencer; anti-State and anarchist individualism; and, finally, aristocratic individualism in its economic and philosophical aspects. The book closes with an admirable summary, in the course of which the points of contrast between socialism and individualism are emphasised. The mere enumeration of the topics discussed will afford some idea of the comprehensive nature of M. Schatz's work.

To compress within moderate limits a summary of the opinions of so many different writers is obviously a work of immense difficulty, but M. Schatz, it seems to us, has achieved a large measure of success. He shows clearly the connection of the different stages in the development of thought, and in dealing with the most important writers he is careful to let us know sufficient of the man, his life, and his work to enable us to appreciate his place in the development of individualism. The chapter on J. S.

Mill, one of the best in the book, may be taken as a case in point. M. Schatz's critical commentary, which is never allowed to obscure the meaning of the writer whose views he is expounding, is always instructive. Take, for example, his treatment of the different types of anarchism. In this connection his critical examination of Proudhon's attempt to carry into the economic sphere the logic of Hegel (p. 493) may with advantage be compared with Dr. Bonar's treatment of the same subject (*Philosophy and Political Economy*, p. 391).

While M. Schatz shows a remarkably extensive acquaintance with English economic literature, he has strangely neglected some of the more recent writers. Neither J. S. Mill himself, nor Cairnes (who is mentioned in a footnote), has said the last word on economic methods, and no writer dealing with the economic functions of the State can well afford to ignore the work of Sidgwick. At the same time, there is no book with which we are acquainted that covers quite the same ground, though in some respects it suggests, as in the case already mentioned, comparison with Dr. Bonar's well-known work. It is a book of which one can safely predict that it will take a high place in the literature of the subject.

ARCH. B. CLARK

Zur Lehre von den Bedürfnissen. By Dr. FRANZ ČUHEL.
(Innsbruck, 1907.)

It is now well recognised that there is a borderland which belongs to economics and psychology, or, rather, that there is a good deal of psychology which economists ought to know and in which professional psychologists take little interest. How often do we not find that an economist deals with the psychology of demand when he is by no means a good psychologist? Many economic laws are psychological, yet how few economists have studied psychology?

This book is a painstaking study of the psychology of needs, combined with a criticism of the views of economists; the present reviewer is not well enough equipped as a psychologist to be able to offer any useful criticism, which should be made in those journals which are read by psychologists, but ventures to call the attention of economists to the fact that they ought to read this book.

C. P. SANGER