of real value is presented with the same abstract simplicity as in the less explicit passages of the *Principles* :—

" I do not say that the labour expended on a commodity is a measure of its exchangeable value, but of its positive value. I then add that exchangeable value is regulated by positive value, and therefore is regulated by the quantity of labour expended " (p. 151, *cp.* pp. 155, 162).

Some difficult passages in the *Principles of Political Economy and Taxation* obtain incidental illustration from passages in this volume. For instance, certain instructive paradoxes in the chapters on Taxes on Gold and Taxes on Profits are enhanced by the highly abstract but perfectly correct reasoning which Ricardo applies to a problem which, as we interpret, may be stated thus: A tax is imposed on the profits in every business except that of the miner, the mines which " supply the standard " being supposed to be in the country; how would the prices of commodities be affected (1) *ceteris paribus*, (2) if we " in this situation of things suppose money to rise in value " (p. 104). The question touched in one of the notes to the *Principles*, whether more money would be required to circulate commodities if their prices be raised by taxation, is treated in the same spirit in one of the two documents in Ricardo's handwriting which have been found among the Trower manuscripts (p. 235). As the former letters prepare us to expect, many of the points raised are within the range of theses which Ricardo was perpetually defending against Malthus, *e.g.* :—

" Does the supply of corn precede the demand for it, or does it follow such demand? " (p. 124).

We read of some *Notes* prepared by Ricardo on the subject of his differences with Malthus. The discovery of these notes is still, as the editors say, a *desideratum*. They have caused it to be less urgently desired by all that they have done to satisfy the doubts which had been felt by economists as to the interpretation of Ricardo.

The Distribution of Wealth. A Theory of Wages and Interest. By JOHN BATES CLARK. (New York: Macmillan Co. London: Macmillan & Co.) 1900.

PROFESSOR CLARK labours under a disadvantage incident to the originators of doctrines that have become widely accepted. If the general reader ever dips into Locke or Bacon, he is apt not to be duly impressed with their originality, just because the truths revealed by them have now become common property. A similarly mistaken impression may be formed about this volume, in which the author has incorporated the substance of much that he has contributed to periodicals in the course of the last twenty years. But literary justice requires that we should attribute independent origination to most of his reflections, priority to those which were published before the epoch 1890.

The leading idea of the book, distinguishing it from a future volume which will treat of progress, is the conception of the "static" condition of economics, much the same as Professor Marshall's "Stationary State," in which the "general conditions of production and consumption, of distribution and exchange remain motionless" (*Principles of Economics*, Book V. ch. v. § 2). And yet "it is full of movement; for it is a mode of life" (*ibid.*); or, as Professor Clark says, "industry is always action" (p. 59). That combination of stability and movement which the physicist briefly designates as "steady motion" (*cp.* Marshall, ECONOMIC JOURNAL, Vol. VIII. p. 41) Professor Clark expresses with the amplitude of literary illustration. Flowing water forms his favourite metaphor. As the water-power which the manufacturer buys is permanent, though the particles of water come and go, so capital as a whole is permanent, while particular bits of "capital-goods," as Professor Clark prefers to say, are perishable. It is thus that we are to understand Mill's fundamental proposition that capital is consumed. Another of Mill's fundamental propositions, that "capital is the result of saving," is accepted by Professor Clark only with reference to the *genesis of new capital* (the emphasis is his). "The maintenance of it," he says, "does not require abstinence" (p. 139).

"In the static state there is no abstinence" (p. 136).

"Let us . . . plant a forest of such slow-growing trees that it will take fifty years to bring one of them to the point of maturity at which it will be ready for cutting. Let us arrange the trees in rows, and plant one row each year. During this part of the process there is waiting to be done. . . . After fifty years, the cutting begins; and now all waiting is over. We may cut every year a row from the ripe end of the forest, and plant a row at the opposite end. . . . The setting out of a new row of trees is now a very different thing from the planting of the original row fifty years ago; for in a sense the present planting yields firewood at once" (p. 132).

Among many just observations on the nature of capital may be noticed the connection attributed to two variables, which Mill sometimes treats as independent (*Political Economy*, Book IV.), the amount of capital and the state of the productive arts.

" The men who are working with the smaller capital perform one set of acts, and those who have the greater capital in their hands perform another set. Arts are always practised in new and changed ways when capital multiplies itself and takes the shape of costly and elaborate machinery " (p. 159).

Capital, too, is " completely transmutable in form," while permanent in quantity. " Society can quit making one kind of instrument and make another " (p. 186). This variation in the forms of production adapts itself to demand.

" The value of goods on the one hand, and the productivity of the two agents, labour and capital, on the other hand, depend on the same general law. . . . It may be called a law of variation of economic results, and if it were stated in its entirety it would give unexpected unity and completeness to the science of economics " (p. 209).

Considering the relation between the value of goods and their final utility, Professor Clark dwells on the distinction between the last increment which the consumer may add either to the number of articles of a certain sort, *e.g.*, coats, or to the quality thereof. The former, " the accepted " view, would make commodities much more valuable than they actually are.

" Figuratively speaking, in a very good canoe these are a dead tree, a log, a dug-out, a convenient sailing boat, and an elegant one " (p. 239).

" Each element in it is a final utility to some class, and it is that class only whose mental estimate of it fixes its price " (p. 214).

" Things sell according to their final utilities, but it is their final utilities *to Society* " (p. 243).

" Society as a whole is the appraiser of goods " (*ibid.*).

This use of "society as a whole" may help us to understand the statement concerning the " ultimate unit of value," that it corresponds to " the pain suffered by society as a whole in the final period of daily labour " (p. 392).

Some exceptions here and there may perhaps be taken to the expressions which we have quoted. Thus is it so certain that no " abstinence " is required in order to keep up the existing stock of capital ? The owners of the forest which was taken as a type must at least abstain from cutting down the immature trees for the sake of making a bonfire or some other immediate, though (comparatively with what would have been obtained by waiting) small advantage. But in the main, we submit, the passages briefly indicated with their contexts contain a body of doctrine which will be generally accepted.

Some other dicta strike us as not equally certain, rather as "probable" in the Jesuitical sense of opinions which have been held by "grave doctors," and may accordingly be followed, notwithstanding the misgivings of common sense. Three almost casuistical inquiries may be arranged under the traditional triple division of the parties to distribution.

(1) The rent of land is not sharply demarcated by Professor Clark from the payment for other agents of production. He dwells more on the similarities than the differences between the two categories. He is deeply impressed with a truth which Professor Marshall has expressed in the following passage :—

"Land is but a particular form of capital from the point of view of the individual manufacturer or cultivator. And . . . the existing stock of it tends to be shifted from one use to another till nothing could be gained for production by any further shifting. (*Principles of Economics*, Vol. IV. Book VI. ch. ii. *Cp. ibid.*, Book VI. ch. ii. § 13, and Book VI. ch. ix. § 6.)

In Professor Clark's words :—

"The earnings of every kind of capital-goods can be brought into the form of surpluses, and land is not unique in this particular. . . . The positive power of each bit of land to create wealth fixes the rent of it, just as the positive power of each unit of capital to create wealth fixes the interest on it" (p. 345).

What Professor Marshall, in the context of the passage quoted, describes as "the other side," the peculiarities of land, is not made prominent by Professor Clark's phraseology and forms of thought. And perhaps this omission is proper while we confine ourselves to the *static* condition. It leads, however, to a somewhat harsh use of familiar terms, *e.g.*, "Total interest equals total rent."

(2) A question which cannot be regarded as verbal is raised by the passages which indicate the author's views on distributive justice. He tells us "that the question whether the labourer is exploited and robbed (ch. i.) depends on the question whether he gets his product." And what getting his product means is explained in the following passages :—

"We are to get what we produce—such is the dominant rule of life; and what we are able to produce by means of labour is determined by what a final unit of mere labour can add to the product that can be created without its aid" (p. 180).

"If each productive function is paid for according to the amount of its product 'thus reckoned,' then each man gets what he himself produces."

"The product of labour everywhere may be disentangled from the product of co-operating agents and separately identified."

"If terms be defined with care, final productivity and specific productivity mean the same thing."

However terms are defined, the doctrine as we interpret comes to the old doctrine—as old at least as Burke's *Thoughts on Scarcity*, in which he invokes "the laws of commerce" against the claims of the "labouring poor"—that the division of the total produce effected by the play of the labour market, or which would be effected if the market played freely, constitutes the best possible distribution. Doubtless it is difficult to find a better. Yet there are those who doubt whether a fair wage may not be defined by some other criterion than the produce added by the marginal labourer, whether our author has not too slightly dismissed the aspirations embodied in other definitions.

(3) In another respect it may seem that Professor Clark harks back to classical usage when he throws into the shade the entrepreneur as a party to distribution.

"The prices that conform to the cost of production are, of course, those which give no clear profit to the entrepreneur" (p. 70).

"Cost price is, of course, no-profit price. They afford, in the case of each article, enough to pay wages for the labour and interest on the capital that are used in making it; but they give no net surplus to the entrepreneur as such" (p. 79).

"The static conditions assumed in the present study preclude the existence of such entrepreneur's gains" (p. 204, *cp*. p. 111).

"If competition worked without let, entrepreneurs, as such, could never get and keep any income" (p. 410).

We are well aware that similar views are held by many grave doctors on the European Continent. And doubtless the reservation made in the words "as such" is capable of explaining away any paradox. Yet before subscribing to our author's "of course," one would like to know what the proposition is intended to contradict; who they are who affirm, and in what context, that entrepreneurs "as such" do make an income. But we are sensible that such questions cannot be adequately discussed within the narrow limits available at present.

Bimetallism: a Summary and Examination of the Arguments for and against a Bimetallic System of Currency. By MAJOR LEONARD DARWIN. (London: J. Murray. 1897. Pp. 341.)

THE name of Darwin subscribed to the plan of examining arguments on both sides suggests scientific power and judicial