

saving should not be indiscriminate, that there are "luxuries" which help to make life more beautiful, to carry on the tradition of "art, literature, science, charm of manners, devotion to ideals. . . ." If the choice lay between a hundred million work-people on the dead level of the comfortable commonplace and slave-owning Athens, who would choose the former? Fortunately, the choice is not limited to these alternatives. Rather, we trust that the great tradition of civilised life will move on, "floating as it were on the support of satisfied primitive needs."

While sympathising with the claims of labour, Professor Lehfeldt recognises the importance of the entrepreneur's functions, the inability of a syndicate of workers to run a business unless they are prepared "not only with commercial acumen and adaptability, but with a certain forethought and self-sacrifice." Pending the development of those faculties, some advance towards self-government may yet be made. "If in a factory hours of work, hygienic conditions, and the like were regulated by a committee of the men so that the employer's part was restricted to instructing them what work to do and paying them for it, the men would have somewhat more the feeling that it was their own business than at present." Governments, too, have been deficient in the faculty of "merchanting"; though in other respects the efficiency of corporate trading enterprises and that of private businesses of the same class are said to be nearly equal. "How to get the indispensable services of the merchant at a moderate cost and without the abuses so commonly associated is the most difficult problem of economic reform." It is suggested that governments and municipalities ought to accumulate capital instead of as now borrowing what they require. The war will probably "leave behind it a lesson that the State both can and ought to do far more than the nineteenth century thought right."

SOME GERMAN ECONOMIC WRITINGS ABOUT THE WAR.

Das Geld im Kriege und Deutschland's finanzielle Rüstung. Von Dr. FRANZ EULENBERG, Professor an der Universität Leipzig. (Leipsic: Kochler. 1915. Pp. 55.)

Weltwirtschaft und Kriegswirtschaft. Von Professor Dr. PETER HEINRICH SCHMIDT. (Zurich: Orell Füssli. 1915. Pp. 23.)

Geld und Kredit im Kriege. Von Dr. J. JASTROW, Professor an der Universität Berlin. (Jena: Fischer. 1915. Pp. 97.)

Deutschland's Volkswirtschaft nach dem Kriege. Von Dr. OTTO PRANGE. (Berlin: Puttkammer und Mühlbrecht. 1915. Pp. 170.)

England und Wir. Von Dr. J. RIESSER, Präsident des Hansa-Bundes. (Leipzig: Hirzel. 1915. Pp. 114.)

Der Finanzbedarf des Reiches und seine Deckung nach dem Kriege. Von Professor Dr. PAUL MOMBERT. (Karlsruhe: G. Braun. 1916. Pp. 44.)

Bevölkerungspolitik nach dem Kriege. Von Dr. PAUL MOMBERT, Professor an der Universität Freiburg i. Br. (Tübingen: Mohr. 1916. Pp. 116.)

Über den Wahnsinn der Handelsfeindseligkeit. Vortrag gehalten in Zürich. Von LUJO BRENTANO, Professor an der Universität München. (Munich: Reinhardt. 1916. Pp. 32.)

Das ganze deutsche Volk unser Schlachtruf und Kriegziel zum ersten August, 1916. Von LUJO BRENTANO, Professor an der Universität München. (Munich: Reinhardt. 1916. Pp. 22.)

Kriegssozialismus und Friedenssozialismus. Eine Beurteilung der gegenwärtigen Kriegs-Wirtschaftspolitik. Von Dr. ANDREAS VOIGT, Professor an der Universität Frankfurt a. M. (Leipzig: Deichert. 1916. Pp. 31.)

Fas est et ab hoste doceri. We may return the compliment which is paid by one of our authors when he acknowledges that but for his having obtained access to the *ECONOMIC JOURNAL* he would not have understood the financial measures adopted in this country on the outbreak of the war. Similarly, those of our readers who have an opportunity of consulting Professor Jastrow's treatise on money and credit in time of war may learn many particulars which, owing to the obstruction of the ordinary channels of information, have been unknown to or misunderstood by competent English writers on these subjects. For example, it has been erroneously stated with respect to the extraordinary or emergency levy on property which was imposed by the German Government in 1913 that not a penny was paid. Whereas according to Professor Jastrow the instalments were duly and punctually paid (50).¹

Particulars of the sort just instanced could not be reproduced

¹ A numeral in brackets throughout this article refers to the page of the work which the context shows to be under consideration.

within our space. We can only hope to present general propositions, *aperçus*, or synoptic views. Seen through coloured glasses these views may have been; yet seen from points new to many of us, and nearer the objects than the points of view to which we are accustomed. The diversified observations and reflections which such a survey will present do not lend themselves to a methodical arrangement. We may introduce a certain degree of order by proceeding from the more to the less exact and positive kinds of knowledge, from the science of wealth to the philosophy of well-being.

We begin with the subject which of all those comprised in the most positive of the social sciences, namely, economics, is the one which admits of the most exact treatment, namely, money. We have before us at least three very high authorities on war finance. Dr. Riesser authentically describes financial arrangements of which he was a great part. Professor Jastrow shows reason to believe that the German war finance is not so absurd as some English critics would have us to believe. Thus, as to the much-decried *Darlehenkassen*, there is this much at least to be said in their favour: that comparatively little use has been made of them (as true now as when the author wrote). Alluding to the complicated structure of that loan fund, Professor Jastrow says cautiously, "I don't think that there is any part of the construction which is not adequately secured. And I am far from disputing that this complicated arrangement is most ingenious (*geistreich*). Still, I am glad that our credit system is not based upon mental endowments (*Geistesreichtum*), but on more tangible assets" (29). To the criticism of an English writer that there was no foundation for the German financial system but confidence in the success of their arms, Professor Jastrow replies proudly that the critic is right. "We wish," he says, "no other foundation for our economic life than the sure confidence that we shall weather (*bestehen*) this struggle. Our national credit in time of war is a main constituent of our faith in our country (*ganz principiell ist uns der Kredit Bestandtheil des Vertrauens zum Vaterlande*)" (53). The credit of the Reichsbank, in particular the confidence in the "coined credit" formed by its inconvertible notes, is thus explained. The outbreak of war which threatened by a sudden shock to overthrow credit, set loose psychical forces which counteracted that danger. "To the security of our credit system there conduced all the feelings of inspiring faith that we experienced in those days, the quiet cheerful courage of the young men leaving for the Front, the

tearless pride of the mother; the silent piety of the whole people. To appreciate the strength of credit one must appreciate the entire mentality (*Stimmung*) on which it rests" (7). Another well-documented and very luminous tract on the financial equipment of his country for the war was contributed by Professor Eulenberg at the beginning of 1915. Among the resources which he surveys, a prominent place is, of course, assigned to the national income and the national property (or capital, in Giffen's phrase). The amounts may easily be remembered by observing that they are of the same order as the corresponding quantities for the United Kingdom—absolutely and therefore less relatively to the population; the German income, say, about £2,100,000,000, a little less than ours, the property about £16,000,000,000, perhaps a little greater. We have not quite followed the plans by which the author proposes to render available some part of the national savings. He cannot be suspected, like some English Socialists, of conceiving that the national capital can be directly applied to the production of munitions. "The national property has only a potential or ideal value (*nur irrealen Wert*); it is fixed, and cannot be made liquid or circulating" (35).

That sparing is a great source of revenue is a lesson taught by many of our authors. Our own *Economist* could not more insistently deprecate expenditure on useless luxury. Alcohol, tobacco, perfumery, advertisements are mentioned among articles which could be spared—in short, all that a leading English writer on the relation of money to war describes as "futile frillings." The Germans early experienced that maximum prices were not adequate to secure economy combined with equity. The rich man might be able at the assigned price of corn, for instance, to feed not only himself but his pigs, while the poor man found himself in the condition which induced the Prodigal Son to think of returning home. But we are unable to add to the light which has been already thrown on this topic in the *ECONOMIC JOURNAL*, particularly in the volume for 1917 (p. 124) *et seq.*, since those of our authors who treat of rationing wrote before the more drastic forms of this practice were introduced.

That resources for war are to be obtained by abstention from ordinary consumption is an old doctrine, well taught long ago by Chalmers. But Chalmers and the still older economists were not equally successful in answering the question: On what terms shall the State appropriate the resources thus made available? by compulsory taxation, or by a loan with future compensation in the

form of interest? The older economists argued as if a war loan taken up by citizens were exactly on a par with a loan obtained from a foreign nation, or with the borrowings of an individual spendthrift. But the sacrifice of the future to the present which the analogy implies does not hold good, as Professor Pigou has lately pointed out (*cp. ECONOMIC JOURNAL*, Vol. XXVI. p. 225). But though the roots of the old doctrine are thus cut away, yet, strange to say, it still bears fruit; our experts still hold to the old maxim, so powerfully enunciated by Gladstone, that it is preferable to tax than to borrow. In fact, the old conclusion has been grafted on new premises; the tendency of loans to produce monetary inflation, the probability that the payment of interest will involve hardship to the poorer classes. This new reasoning commands our assent. Yet it is not so self-evident, not so securely established by universal consent, as not to stand in need of confirmation by comparison with the views of independent authorities. Now the German economists with few exceptions seem inclined to prefer borrowing to present taxation for purposes of war. Professor Eulenberg, himself no mean authority, refers, in confirmation of his own views, to Professor H. Dietzel, who might be described in our judgment as one of the acutest of living German economists. Professor Dietzel, in his tract entitled, *Kriegssteuern oder Kriegsanleihen?*, published in 1913, advocates war loans as preferable in general to war taxes. He rests his case largely on the disturbance to industry caused by heavy taxation—much the same ground as that upon which Leroy Beaulieu condemns MacCulloch's suggestion that the whole cost to England of the war of the French Revolution might well have been defrayed without borrowing, or the proposal made by a French politician after the Franco-German war that the whole of the indemnity should be discharged at once by one enormous levy. Dietzel's conclusion is no doubt untenable in all its generality, in virtue of those recent arguments to which we have referred and other practical considerations. But his arguments may well affect some questions of degree; whether, for instance, with reference to the colossal expenditure of the United Kingdom in the present war the proportion raised by present taxation, say, about 20 per cent. of the total expenditure, is so culpably deficient, compares so unfavourably with the proportion of 50 per cent. attained in some former wars, as our English authorities seem to take for granted. At least we are entitled to suspect arguments which leave out of account two essential factors: the degree in which the method adopted for raising the

loan produces monetary inflation, and the distribution of taxation for payment of interest compared with the proportions in which different classes of the community have taken up the loan. Suppose, for instance, as was true at the date when Professor Jastrow wrote, that half the German loans have been contributed by persons with less than £1,000 a year; if half the future taxation is raised from that section of the population and as far as possible from each stratum in proportion to the contribution which it made to the loans, where is the great, or rather where is the inequitable, hardship to the poorer classes—apart from the consequences of changes in the level of prices. It is fair to add, when appealing to the authority of the German economists, that they have more or less distinctly in view the possibility of covering the expenditure on war by indemnities levied on the conquered. "It is really superfluous," says Professor Eulenberg, "to trouble our heads beforehand about the matter"—the imposition of taxes for the payment of interest on the war loan—"since all must depend upon the indemnity" (34).

Taking for granted that the financing of the war will not begin till after the war, Professor Mombert inquires what the character of taxation should be—as to its general features, for it would be premature to discuss particular taxes. He has produced a disquisition which may be described as sound and creditable, but somewhat affected by the common fault of German economic writing, the tendency to dilate upon the obvious. Among more than forty pages of generalities we have found only two ideas which call for notice here. One of these seems not a very good idea, namely, the proposal to tax by preference raw material with a view to encourage economy in the use thereof (32). This proposal appears to us open to the objections which Leroy Beaulieu has directed against MacCulloch's theory that taxation induces manufacturers to be more efficient. MacCulloch was not indeed, if we remember rightly, referring to raw material so much as to later stages of production. But the objection is not quite parried by this circumstance. Leroy Beaulieu admits as against his case the instance on which Professor Mombert sets great store, namely, the encouragement to the production of beet-sugar incidentally caused by the virtual taxation of the raw material. But the instances adduced are not sufficient, thinks Leroy Beaulieu, to prove a general theory. Professor Mombert makes a second proposal which would have appeared to the older economists as heterodox as his first, but which is now becoming fashionable, the proposal to encourage the growth of population by means of taxation.

The last subject is further considered by Professor Mombert in his treatise on the policy to be adopted with respect to the population question after the war. He elaborates a theory of population which in its broad lines may be regarded as coincident with that which Dr. Marshall has made familiar to the English reader; that in virtue of the law of increasing returns, increase of population is desirable, provided that it is not seriously counteracted by the law of diminishing returns—provided that, in our author's phrase, there is an adequate *Nahrungsspielraum*. Subject to this proviso, Dr. Mombert seems to desire increase of population for much the same reasons as the mercantilists of old. Like Bishop Berkeley, he wishes for a country full of inhabitants; but he perhaps differs from the Bishop in laying more stress upon power than on plenty as the aim of population policy. He would certainly give the answer which the Querist expected to the question: "Whether the public is more concerned in anything than the procreation of able citizens?" But the hint dropped by the speculative Bishop when he alludes to the breeding of Barb and Arab horses finds no echo in the sober counsels of the German statistician. No countenance is here given to the surmise that the docile German people will adopt some new variety of marriage-law calculated to repair the losses both in the number and in the quality of the population caused both by the direct loss of men in war and by the effect of that loss upon succeeding generations. Professor Mombert's recommendations are mainly based on the now generally accepted principle of equal sacrifice in taxation, that the burden should be lightened for those who have undertaken the charge of families. He makes several suggestions for carrying out this principle; for instance, that the increase of salary which now accrues to Government officials after a long term of service should come for those who have families at a time when the expense of bringing up a family presses most heavily (75). Again, married women should be more largely employed by the Government, particularly in education, their hours of work being reduced by a half, so as to permit of their attending to home duties (84). The additional cost involved in these arrangements is to fall on the unmarried.

For the purpose of staving off the law of diminishing returns and enlarging the *Nahrungsspielraum*, there are some proposals for increasing cultivation which might reward the attention of our legislators. He makes one suggestion which would hardly be expressed so openly by a writer of any other nationality, namely, that the German population, relatively to its rivals, should be augmented by taking territory from their enemies and adding

it to their own : " as we hope and expect as a consequence of the present war " (111). Hunger, he observes, referring to the historian Dahn, was the main motive of the barbarian invasions of the Roman Empire. " When people now in the present sanguinary conflict of nations speak of the German people's struggle for existence, this only means the fight for *Nahrungs-spielraum* " (56).

The matter is put more explicitly by Dr. Prange. Surveying the territory of Germany's great Eastern neighbour, he points out the proportions in which the fertile soil described as " black earth," abounds in Russia. How nice it would be, he says in effect (105), if Germany had some of that black earth. He quotes with approbation Jentsch, an author who flourished at the end of last century. " The Russian people is not competent to cultivate the enormous extent of land which it has occupied ; we need this land, and if we possessed it would soon put it to its best use. We, as a nation, suffer from an hypertrophy of brain ; we have an excess of intelligence, of talents (*Geistern*) which are suited for leading others, for conducting useful undertakings ; an excess which if not employed runs into moral and political extravagances. The Russians, on the other hand, need strong, intelligent, faithful leading ; it is as much a necessity to them as their daily bread ; in fact, it is only by such leading that they can be certain of obtaining their bread. There are no two people on the earth that stand so mutually in need of each other. If ten million Germans flowed into Russia, both people would be benefited. . . . What prevents us ? Is it reverence for Tsardom and its Bureaucracy ? Has any brave people ever let itself be kept back by reverence for any kind of Majesty from getting for itself what it needed and to which it had a well-grounded claim ? Were our German ancestors deterred by the reverence which they really felt for the Roman Empire, which was really deserved by the Empire, from sending their superabundant youth with mailed fist (*mit gewaffneter Hand*) beyond their boundaries and demanding land ? . . . Barbarians were not afraid to break up (*aufzulösen*) a highly civilised, highly cultured (*um die Kultur hoch verdienter*) Empire, and shall we, who bring civilisation (*Kulturbringer*), shrink from the necessary expansion ? (128) . . . Otherwise, alas ! for our posterity, and well for the man who is childless " (134).

To the economist brooding upon the doctrines of Mill and Malthus there is here revealed a cause of war far deeper than the incidents upon which popular imagination fastens, the folly of

an emperor or the mistake of a diplomatist. Not even the change of heart which is properly preached as an essential condition for ensuing peace would alone suffice to annul this cause of war. Against an enemy minded as there is reason to believe ours is, what would it avail to follow the advice of our pacifists, as thus expressed by the ablest and most outspoken of them? "If the Germans, instead of being resisted by force of arms, had been passively permitted to establish themselves wherever they pleased, the halo of glory and courage surrounding the brutality of military success would have been absent, and public opinion in Germany would have rendered any oppression impossible. As between civilised nations, therefore, the principle of non-resistance would seem not only a distant religious ideal, but the course of practical wisdom" (The Honble. Bertrand Russell, *International Journal of Ethics*, January 1915, pp. 39-40).

It is a remarkable but hardly regrettable incident of our complicated nature that the virtues which war is apt to develop flourish, notwithstanding a taint of injustice in the originating cause of a war. Almost all our authors testify to the moral awakening which Germany has experienced; to the industry, thrift, patience, union of purpose and feeling, and other fruits of the spirit which patriotism, evoked by war, has promoted. A particularly striking and beautiful testimony to the loyalty of the German working classes is given by Professor Brentano in the brochure with which he inaugurated the second anniversary of the declaration of war (10). Many of our writers anticipate political changes in the direction of greater liberty. Dr. Sering elaborates a philosophical parallel between the *Kriegssozialismus* which has been brought about and the moral—as well as economic—condition of Fichte's "Closed Commercial State."

It is not to be supposed that the bulk of patriotic Germans are conscious of being "out" to take their neighbour's territory. Their state of mind is, no doubt, not so well represented by the passages which we have cited from Dr. Prange as by some earlier passages in which he describes England as having, in her own selfish interests, engineered the war on Germany. He traces the aggressive spirit of England from the time of Henry VIII. to that of Edward VII., with the aid first of Rogers and afterwards of his favourite author, Jentsch. These authors, especially the latter, are cited to show that England's boasted wealth was obtained, not by work and saving, but by robbery and exploitation. Why talk of the horrors of the Inquisition? The Spanish torture chambers cannot compare with the English factories (19).

The ill-treatment of the Irish and the exploitation of the American colonies are brought up against England. This enumeration of our country's misdeeds in the past affects us like the torrent of abuse which now, as in the days of Homer, may be heard in a back street poured forth by an angry scold—"partly true and partly false," as the poet who knew human nature so well observes through the mouth of his most sensible hero. It is always possible to attribute bad motives; for instance, to our conduct in the Napoleonic war, if with Dr. Prange we take our interpretation from Napoleon's utterances at St. Helena! (61).

Our readers may perhaps suppose that Dr. Prange—though a high authority on insurance and a very competent economist—cannot be taken as representative of German thought. But other better known writers adopt a similar tone with respect to the part played by England. One only of our authors, one whom we should describe as a man of light rather than of leading, Dr. Peter Schmidt, holds the balance pretty evenly between the rivals whose race for zones of influence led to this world-wide struggle for economic power, this *Weltwirtschaftskrieg*. That was the ultimate cause, he thinks; who put the last drop into the overfull vessel of wrath is angrily disputed. The better known Dr. Riesser is less moderate. In the manner of Dr. Prange he rakes up "old, unhappy, far-off things" to the disparagement of this country. Coming to recent times, he affirms that in the Boer War some 1,400 women and children, being put upon half rations in the notorious concentration camps, perished by a miserable death (*Man wüsste dass . . . England . . . 528 Frauen und 866 Kinder hatte jammervoll unkommen lassen*). He makes great play with the Belgian treaty of 1906 to the effect that "England . . . without violation of the neutrality of Belgium by Germany, and even without the consent of Belgium, would let her troops land in Belgium." Plunging into the negotiations before the war, Dr. Riesser emerges with the proof of Grey's shocking duplicity (*widerliches Doppelspiel*).

More sensibly Professor Brentano tells his Zurich audience not to be afraid of his troubling them with the contents of Blue, Red, Green, Yellow, Grey, or White Books. None of the belligerent nations, in his opinion, has reason to be proud of the services of their diplomatists. But as to the deeper causes of the war he fully believes in the "encircling policy" (*Einkreisungspolitik*) of Edward VII. (12, 22). He complains of the policy adopted by William III., which made England the tongue on the balance of European power (16). But surely William III.'s

promotion of the coalition against France admits of a more favourable construction than that it was merely a policy of encirclement in the interests of England. Even Mr. Bertrand Russell admits that we were justified in inclining the balance of power against Louis XIV. (*Social Reconstruction*).

Abominably as England has behaved, according to Professor Brentano, he yet warns his countrymen against prejudicing their commercial interests by the indulgence of hate. He well re-states the free-trade doctrine that the home country should not injure itself in order to spite the foreigner. Besides, trade wars lead to real wars. A tragic picture of the calamities caused by the war is reproduced from a contemporary publication. There is shown as in a vision an almost interminable procession, a column marching four abreast consisting of all the victims of the war; the dead, the wounded, the invalided, the imprisoned, the exiled, the famished, the bereaved. . . . The column, marching night and day, would take many weeks to pass. That small fraction of it which consists of the only sons (of all countries) killed in the war would take twenty-four hours to march past. Such being the horrors of war, and seeing that it is the tendency of trade boycott to produce war, how bad and mad are the resolutions adopted by the Conference of Paris last year!

These reflections appear to us in the main just. It is candid of the German professor to admit that "the trade policy to which Germany has been devoted for more than three decades has essentially contributed to produce an increasing following in England of that encircling policy of Edward VII. which was directed against the German trade policy" (22). "There is only one means," he finely says, "of assuaging hate and thereby obtaining peace, a durable peace: for the future to abandon all trade enmity and the means by which it is subserved" (23). It should be observed, however, that he has not quite done justice to the motives of those free-traders who took part in the Conference of Paris. The danger which they had in view was not the bogey of the common protectionist, not the action of normally competing merchants, but "dumping" or some other form of "penetration" engineered and subsidised by a hostile Government acting in monopolistic fashion, like a Trust when it "freezes out" its rivals. The impartial Fiscal Blue Book [Cd. 1761, p. 296], which was published in 1903, recognised this case as exceptionally dangerous, but had no evidence that the case then actually occurred. It will not be irrelevant here to mention another case in which resort to the weapons of economic

warfare may be justified. It may be used as the sanction of an international agreement such as that which has lately been proposed, under the title of *Enforced Peace*, by several distinguished American statesmen and philosophers, including President Wilson. "The signatories," so runs the programme, "shall use both their economic and military forces against any one of their number that goes to war or commits acts of hostility against another of the signatories before any question arising shall be submitted"—for discussion, as provided in the context.

Our German authors do not concern themselves about leagues of peace. But they make some suggestions bearing on a connected topic: the revision of international law. Professor Brentano insists strongly on the freedom of the seas, the immunity of merchant ships (not carrying contraband) from capture by an enemy. But he hardly realises the difficulty which an English patriot feels about entering into an agreement for this purpose with a Power so strong and so unscrupulous as Germany. The difficulty is well stated by Professor Muir in the current number of *Scientia*. This is not the place to discuss whether on this question we should side with those whom Professor Brentano describes as the inheritors of the mantle of Cobden and Bright, "men like Charles Trevelyan, Ramsay Macdonald, Arthur Ponsonby, and the distinguished English authoress, Vernon Lee," or rather with John Stuart Mill, regard the proposal as "the abandonment of our chief defensive weapon, the right to attack an enemy in his commerce" (*Times*, March 11, 1871). In this connection we ought also to mention Professor Jastrow's not intemperate protest against the prohibition instituted by the British Government of payments to "alien enemies." He admits that this is in accordance with English law, but he never expected that so bad a law would be carried out (45; cp. *Archiv für Soziale Wissenschaft*, 1916, *Kriegsheft* 4, p. 53, by the same writer).

These topics will not appear too remote from economics by those who recognise analogy between industrial disputes and international conflicts. The analogy is conspicuous in the programme of the American league to which we have referred. Its fundamental proposal is exactly parallel to a plan which is now becoming generally accepted with respect to industrial disputes; which is thus recommended by the Report of the Industrial Council, 1913 [Cd. 6952], "that there shall be no stoppage of work or alteration of the conditions of employment until the dispute has been investigated by some agreed tribunal and a pronouncement made upon it."

We could wish to have heard one of our authors, Professor Voigt, upon this topic. He has, however, chosen a different subject, pointing out with great ability as against Professor Jaffé (*cp.* ECONOMIC JOURNAL, Vol. XXV. p. 449) and other contemporary writers that the war has not introduced any essentially new economic principles, none that were not familiar to those who had studied the history of sieges and other periods of emergency. He would, no doubt, endorse Professor Pantaleoni's dictum that the war presents many recent, but not any new, economic phenomena. The transient phases of war socialism and war economics (*Kriegssozialismus, Kriegswirtschaftslehre*) will pass with the return of peace, some ordinary blend of individualism and governmental intervention succeeding.

The reason why we had wished to hear Professor Voigt on the subjects of industrial conciliation and international peace is that he is the one German author known to us who is conversant with the modern analysis which is applicable to transactions between self-interested parties, whether with or without competition. In fact, he independently struck out, as noticed in a former number of the ECONOMIC JOURNAL (Vol. IV. p. 202), a portion of that analysis which Professor Pigou has employed with success in his *Industrial Peace*. Some notion of this abstract doctrine—of its tendency to clarify intellects and cool animosities—may be gathered from the less severely abstract theory propounded by Professor J. B. Clark in *Scientia* (1916), referred to in the ECONOMIC JOURNAL, Vol. XXVI. p. 409.

Professor Clark, in the important contribution which he makes to the volume entitled *Industrial Peace*, makes an observation which is relevant to the present study. He does not look for the entrance of Germany in the near future, at least into the new league. "There would be very little coherence in any single body in which both the Teutons and the Western Powers were combined." The combination might be illustrated by "a temple of peace in which sticks of dynamite were inserted between courses of stone." But we are not precluded from hoping that even Germany might ultimately take this very modest step in the direction of minimising war. For this mere beginning of a better age would not mean Utopian abandonment of all wars, any more than the parallel industrial arrangement would preclude all strikes. Some strikes would be averted by the parties coming together and settling their differences by discussion. Strikes started without warning, as by workers in works of public service and utility, would be penalised. Analogously the potential

bloodless war which Mahan contemplates (*Armaments and Arbitration*, pp. 56, 64) would often take the place of actual fighting. Also, invaders who should steal a march on an unsuspecting neighbour would incur the hostility of the leagued nations. But this first step towards improved international relations might be adopted by a nation which believed that right rests ultimately on might, and that it is normal to seek aggrandisement by war. They would not renounce deliberate exercise of force. The barbarian invaders of the Roman Empire, who are so much admired by their modern descendants, would not have been permanently held back by such a treaty. The rivalry of Rome and Carthage might still have subsisted—with some mitigation probably—notwithstanding an agreement that before going to war the rivals should submit their differences to a council. The curse of the Carthaginian Queen—*nullus amor populis*—will, indeed, long rest upon the modern rivals. But we are not compelled to add : *nec fœdera sunt*.

After-War Problems. By the EARL OF CROMER, VISCOUNT HALDANE, the BISHOP OF EXETER, Professor ALFRED MARSHALL, and others. Edited by William Harbutt Dawson. (London : Allen and Unwin. Pp. 366. 7s. 6d. net). 1917.

THIS is a useful collection of contributions to the solution of problems which will become pressing after the restoration of peace. The number of separate essays—twenty in all, if we include the editor's stirring introduction—would of itself deter us from attempting to cover the ground evenly by detached remarks on each of the different subjects. Moreover, much of the ground lies beyond the range of the *ECONOMIC JOURNAL*. We are thus constrained to select somewhat arbitrarily for special notice a few out of the many valuable articles in this collection. We must omit altogether the first division of the book, which deals with "Empire and Citizenship." Under the second head, "National Efficiency," passing over with reluctance Lord Haldane's treatise on "National Education" and other important papers, we first notice Professor S. J. Chapman's "State and Labour." Professor Chapman anticipates that the "crystallisation of the productive system in regulations and customs" which had set in before the war will have been modified by the experience obtained during the war. For example, "it ought not to be beyond the powers of organisation to fit in the employment of