

"physics" substitute what Jevons called the "mechanics" of industry and trade, and the dictum might be applied without extravagance to the author of the analysis that we have mentioned.

Elements of Political Economy. By J. SHIELD NICHOLSON.
(London: Black. 1903. Pp. 538.)

THE scientific character of a work which is based on the author's *Principles of Political Economy* may be taken for granted. The claim of the work to the character of "Elements" may be defended, whether we consider the points in which it differs from, or those in which it agrees with, the larger treatise.

One difference adapted to the requirement of beginners is the suppression of controversy. The references to economic literature are reduced, and presented in a form which, it may be hoped, is calculated rather to allure than alarm the youthful student. The comparative terseness of the compendium accounts for another differentiating characteristic, a certain trenchancy proper to brevity. We shall dwell on one or two instances as illustrating the difficulties which obstruct the communication of economic knowledge in elementary doses. In the larger treatise Professor Nicholson had observed in the course of his lucid discussion of monopoly values (*Principles*, Vol. II. p. 66) that the monopolist must be able to adjust price and supply to any change in demand. "The monopolist, in the face of a fall of demand may indeed maintain his minimum price, but in most cases he will no longer obtain the maximum return possible, and in some cases the maintenance of the price might involve an actual loss." This is perfectly correct; both the assertion that the price which the monopolist will fix in the new conditions will not in general be the same as the old price, and the suggestion that the new price will be lower than the old price. But in some circumstances it is possible (as pointed out in the *Economic Journal*, Vol. VII. p. 235) that the fall in demand might be accompanied by a change of elasticity, such that it might prove to the interest of the monopolist not to lower the price, but to raise it, or at least to keep it the same. Can it be right then to say unconditionally in the *Elements* (p. 248): "If with a fall in demand he [the monopolist] tries to maintain the old price he will no longer obtain the maximum profit possible under the circumstances"? Quite right, we submit, regard being had to the character of a compendious work necessitating round statements. A fall in

demand will be attended with a fall in monopoly price, unless there at the same time occurs a considerable diminution in the elasticity of demand. But as there is in general no reason to believe that a fall in demand will be attended with a change of elasticity in one direction rather than another, so it is most probable that a fall in demand will be attended with a fall in price; that is the general or typical case. By a parity of probable reasoning our author is quite justified in stating, without further reservation than is implied in reference to the mathematical treatment of the subject: "Any improvements . . . that enable the same amount of land to raise the same supply at less marginal cost have the same effects [as "improvements that enable the same amount of produce to be raised from less land"], namely, a fall in money rents." (*Cp. ECONOMIC JOURNAL*, Vol. XIII. p. 626.) Such round statements of economic truth are sometimes necessitated by the writer's want of space and the reader's want of training. Where under the conditions it is only possible to convey one idea it should be clear and appropriate to the typical case. To attempt more might result in the learner's obtaining no clear idea at all, or perhaps a wrong idea, the exception without the rule—a state of mind like that of the American Protectionist of whom it was metaphorically said that he could see a fly on a barn-door without seeing the barn or the door. Doubtless it is better to teach both the rule and the exception when the subject is of sufficient importance to justify a full exposition. The clear and candid statement of "theoretical exceptions to Free Trade" (*Elements*, p. 491, p. 358) does not obscure the general truth that "although there are many cases 'worthy of deliberation' there are very few worthy of adoption."

Among features of resemblance between the *Elements* and the *Principles* which conduce to the convenience of beginners is that arrangement of the subject according to which Distribution is discussed before Exchange. Since in the modern world Distribution is affected by a play of supply and demand it is tenable that in a logical order the theory of value should have precedence. It is thus that a mathematical student may first master the abstract theory of dynamics, then apply the theory to the motions of the heavenly bodies. But all are not disposed to "take the high priori road, and reason downwards." The interests of the visible world must be displayed to the average student in order to allure him to the regions of abstraction. The elementary teacher may be well advised in not affecting a too severely logical order. Like the poet he should

rush into the midst of things. As the poet in the course of prolonged digressions still keeps by occasional allusions the leading personage in the reader's thoughts, so throughout our author's book on Distribution we are reminded by occasional references that the subject is dependent on the theory of Value (*Elements*, pp. 22, 66-7).

There is a further reason in favour of the arrangement adopted by Professor Nicholson: it is Mill's arrangement. The treatment of Progress in a separate Book is similarly justified. Considering that Mill's Political Economy still forms a part of the curriculum in more than one distinguished University, a textbook which will serve as a *vade mecum* for travellers along that smooth but not always easy road to economic knowledge may well be a *desideratum*.

National Progress in Wealth and Trade. By A. L. BOWLEY.
(London: P. S. King. Pp. 88. 2s.). 1904.

MR. BOWLEY'S work belongs to a small class—Soetbeer's *Materialien* may be instanced as one of the few other examples—characterised by impartial statements, which command the respect of disputants on either side of a heated economic controversy. The modesty of the true statistician contrasts favourably with the hectoring tone of political partisans. Mr. Bowley's main position is thus cautiously stated:—“Our information is not sufficient to allow us to form an absolutely certain judgment as to our recent progress.” “It is conceivable that the facts that we do not know may present an appearance opposite to that of the facts that we do know, as it is conceivable that the hidden hemisphere of the moon differs from that which we see; but it is *prima facie* improbable that the same main causes are presumably acting in the unknown as in the known.” All the phenomena in the observed economic hemisphere—the changes of occupation, the progress of wages, the increase of national income, and so on—suggest that we have made considerable progress in wealth and welfare during recent years.

It is true that there has been a diminution in the numbers employed in certain occupations, in particular the textile trades. But what of that, if the numbers employed in other occupations, such as the production of iron and steel manufacture, have increased? The shifting of occupations is often a mark of progress to a higher level. Men earn more, not only because the same