

selves. The loss is certain; the gain problematic. It is not, however, inconceivable; Retaliation is not—though it is very likely to become—mere Protection. Prince-Smith and the “unconditional Free Traders on the other side of the Channel” have exaggerated the case against Retaliation. Enlightened by Adam Smith’s impartial *dicta*, Professor Dietzel shows reason to believe that Caprivi in the commercial negotiation of 1891–2 played the part of that “wily animal, the statesman,” with some success. The conjuncture was favourable. The policy of Germany was clear; her way of negotiating conciliatory. All these favourable conditions are wanting to the recent negotiations from which Professor Dietzel bodes no good results. Bullying and preparation for tariff war [*Rüstung*] cannot be practised by one nation without others following. The fact that Professor Dietzel writes for Germans about German policy gives weight to his disinterested opinions about Mr. Balfour’s policy, which he thinks may easily lead Great Britain into the inextricable net of Protection. She will thus lose the economic advantage over other nations, which she has hitherto obtained through her Free Trade. It is possible, says our author, that England has already passed the zenith of her economic career, though he himself is of opinion that the “decadence of England” is now almost as untrue as in 1850, when it was affirmed by Ledru-Rollin. It is certain that the downward movement will become more sharply accentuated—that England’s power of competing in the world-market will decline even quicker—if she has to pay for the policy of Retaliation by a permanent protective tariff (*Fall es die Politik der Busse mit dauernden Schutzzoll büsste*).

*The History of the English Corn Laws.* By Professor J. S. NICHOLSON. (London: Swan Sonnenschein, 1904. Pp. 188.)

HISTORIANS are wont to disparage abstract economics, while they claim for their own special studies the merit of showing the variability of conditions which are presupposed in the deductive method. But the work before us is a proof that the severer intellectual virtues are compatible with the historian’s subtle power of entering into the past, and thence deriving lessons for the present. The author places himself in the position of the primitive Protectionists, and enters into their motives. There was a difference in their position compared with ours with respect to protective legislation; it had not been tried and found wanting. They sought according to their lights the interests of the con-

sumer and producer and of public policy. The idea at the root of the assizes of bread, and of other measures which formed with the Corn Laws a connected system, was originally reasonable.

The more sympathetic our author's appreciation of the motives, the more damaging is his judgment of the measures. This judgment, we may remark, is based on specific experience; it could not have been obtained *a priori* from the simpler principles of human nature; it is a teaching of history, though it is sometimes missed by historical specialists. "It was proved by experience that the protection of the consumer defeated its own object." "In most cases the promotion of various social ideals by the simple method of manipulation of taxes has proved a failure." "The history of the Corn Laws strongly supports the negative argument for Free Trade." "When all the rhetoric of exaggeration has been stripped away, and governments and landlords are cleared of iniquity in intention, the record is one of failure in accomplishment."

Professor Nicholson strips away "the rhetoric of exaggeration" with laudable candour. "The history of the Corn Laws," he says, "has been much perverted, and its actual evils have been much exaggerated." "The effects of the duties on the employment and wages of agricultural labour have been much exaggerated by the supporters of the Corn Laws." The greatest rise in the price of corn, at the beginning of the nineteenth century, occurred when the operation of the Corn Laws was least. The actual benefit to the landlords under protective system was not great. The defenders of Free Trade can afford to throw away rhetorical exaggerations, like the beleaguered garrison who, out of the abundance of their store, threw out loaves to the defied enemy.

We could not better express both our admiration for the defence of Free Trade made by Professor Nicholson, and our contempt for the opposite cause, than by supplementing his concessions and, as it were, throwing out one more loaf. We refer to the argument in favour of Free Trade that it would reduce the fluctuation, as well as the magnitude, of the price. Professor Nicholson has very properly attached weight to the former consideration, therein agreeing with Grote and Tooke and the other temperate opponents of the Corn Laws. Their reasoning is not proved wrong because it was not immediately verified. Greater stability was imparted to the conditions by the abolition of the Corn Laws, though, as it happened, the improvement did not make itself felt for some years. We have compared a period of twenty-four years before the abolition, viz. 1821-44 inclusive, with a period of twenty-four years after the abolition had come

into effect, viz. 1850-73 inclusive, in respect of instability as tested by the mean deviation of the yearly price (per quarter) from the average of each period respectively; and we find that, while this measure of fluctuation was for the earlier period 6s. 8d., it was for the later period 8s. 8d. Again, taking periods of thirteen years, the first selected so as to cover the sliding-scale, viz., 1829-41 inclusive, the second period 1851-63, we find the mean deviation, similarly tested, to be 7s. 10d. for the earlier period, but for the later period 9s. 1d. It is a nice question, indeed, what is the proper measure of the fluctuation considered as a detriment to consumer or producer? It is tenable that the variation from month to month within a year—rather than from year to year within a period—constitutes the best measure. We have taken the monthly deviation thus for each of six years of the sliding-scale period, viz. 1836-1841 inclusive, and likewise the like deviations for each of the six years after the repeal, viz. 1851-6 inclusive; and we find 20s. 2d. for the earlier period, for the latter 25s. 1d. Again, looking at the variation in price from week to week we observe that the maximum difference between weekly averages is, for the period 1829-41, less than for the period 1851-63.

It seems indubitable that the greater stability of price which the abolition of the Corn Laws tended to effect was not immediately verified. Doubtless, as Professor Nicholson observes, "after all the main cause of fluctuations was the course of the seasons." When that cause was counteracted by the opening up of wider areas, with independent vicissitudes of harvests, then the wisdom of the old Free Traders was more conspicuously justified. The oscillation of price in the period 1886-98, as tested by the methods above adopted, is found to be only half what it was before the repeal. We may apply to the fluctuation of prices the test which Professor Nicholson applies to the prices themselves. "If the old scale of duties had been retained and enforced . . . then no doubt the range of corn prices [and of their fluctuation] would have been much higher."

To consider what would have happened if the old system had been retained down to our time is a fair way of testing the arguments of the old Protectionists. Referring to the argument based on national independence our author well observes: "the increase of wealth would mean the increase of naval power, and naval power was a better means of defence than self-sufficiency in corn-growing." If the old Protectionists had succeeded in their contention that the country should be in the main dependent on its own food supply there would now, indeed, be a little England.