

Industrial Freedom. A Study in Politics. By B. R. WISE.
London, Cassell & Co., 1892.—xxx1, 372 pp.

The former attorney-general of New South Wales has in this book attempted to restate the argument for free trade in a form suited to the needs of the time. The book is not brilliant, as is Sumner's *Protectionism* or Henry George's *Protection or Free Trade*. It cannot be called trenchant or epigrammatic or original. But the author is patient, painstaking and exhaustive, and altogether the book is likely to prove one of the best defences of free trade ever published. The plan of the book is well considered. The analysis is so accurate and minute that every ramification of argument is followed out to the end. The style is clear, sober and logical. The tone is courteous and candid. The method is that of deduction, occasionally verified by history and statistics. The author holds throughout to the broad highway and refuses to descend to details, quibbles or the passing phenomena of the moment.

The first half of the book, devoted to "The Revival of Protection" and "Preparing the Arena," contains all that is new in the work. The author opens with an admirable *résumé* of the differences between the protection of to-day and that of fifty years ago. He shows that the problem has changed and that the various interests are differently ranged. He admits that many of the old arguments are obsolete, while others need restating.

The requisites of production stand to each other in Australasia and America in such an abnormal relation, that the abstractions of the English economists have often to be qualified before they can be taken as an explanation of facts.

Unaware that the lines of controversy have changed, these economists have "fallen into the error of repeating old truths to opponents who do not deny them." Free-traders have made a mistake in looking only at the production of wealth; while, as with wider suffrage political power descends to the masses, it is necessary to lay more stress upon distribution and wages. By their *laissez-faire* opposition to factory laws and other measures to protect labor, they have incurred the hostility of the working classes. By offering free trade as a panacea, they have seemed to ignore the evils of the competitive system and have thereby drawn the fire of reformers, humanitarians and socialists. Finally, free trade has suffered by being identified in Australia with the land monopolists and in America with the slaveholders.

After surveying "The Revival of Protection" and analyzing the various causes which have operated to bring this about, Mr. Wise devotes ninety pages to "Preparing the Arena" of controversy. In view of his

former admissions, we are surprised to find him regarding as "economic" only those arguments pertaining to the *production* of wealth. All other arguments are "political." He examines the criticism suffered by the orthodox political economists, and, while admitting that political economy is deficient in the theory of consumption, still insists upon its authority in the free-trade controversy. An examination of the nationalism of List and Carey leads to the conclusion that "every attempt to found an economic science on any other basis than that of individualism inevitably becomes empiric, both in its scope and method." The conclusions of the nationalists "establish no general principle." Mr. Wise ignores the possibility that exchange values may not be identical with social values. He finds the argument based on national welfare vague and unscientific, without considering that national welfare, though indefinite, is yet a very real thing. Mr. Wise falls back finally into the old error of concluding that because certain elements are hard to take account of, therefore they are to be omitted.

The relation of free trade to *laissez faire* is next examined. The author repudiates *laissez faire* and admits that free trade must seek other support. He is confident that it can be justified without invoking the maxims of individualistic politics, while protection cannot be justified even on grounds that justify socialism. He promises to avoid the perplexities that beset the problem of the man *versus* the state. Despite these promises, however, we find that further on he cannot forbear to fire off the individualistic ammunition furnished by Sumner and George.

The rest of the book considers the "Economic Argument" and the "Political Argument." Here we pass smoothly along the beaten highways of deduction, though zeal occasionally overcomes discretion. The author reckons three losses as due to protection: (1) That of leaving paying industries for non-paying ones; (2) that of making up to the protected producers the loss by this unprofitableness; and (3) the loss to consumers by increased cost. Here we have a single loss mysteriously figuring as three. Regarding wages, the author is a residualist. As by machinery and other appliances the product of a given number of laborers is always increasing, he concludes that wages must be steadily rising. This *naïveté* in assuming that the capitalist will not claim an additional share for his new machinery, is entertaining. Despite the passages quoted approvingly in the early part of the discussion to prove his sympathy with labor, the author ends by taking up with the cheery optimism of Mr. Atkinson and Mr. Wells. With the best of intentions he does not show a familiarity with the problems of distribution that can excite our confidence.

Nor is he more successful in treating of consumption. Starting with the frank admission as to its importance, he ends by egregiously mis-

understanding Professor Patten's searching analysis of the effect of protection upon consumption and ultimately upon production and rent.

On the whole, the book has many merits. We have in it one of the best statements of the free-trade position yet attempted. But it disappoints in not ending as it starts out. It promises more than it can perform. It attempts frankly to recognize the recent currents in economic thought, but it ends in stating, with perhaps a differently distributed emphasis, the long familiar arguments for free trade.

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Der Grossbetrieb. Ein Wirtschaftlicher und Socialer Fortschritt. Eine Studie auf dem Gebiete der Baumwollindustrie. Von Dr. GERHART VON SCHULZE-GÄVERNITZ. Leipzig, Duncker und Humblot, 1892. — 8vo, 281 pp.

England still remains the favorite field for detailed economic investigation on the part of young German students. Dr. Schulze-Gävernitz made his scientific début in 1890, by a remarkable study of English social doctrines in his *Zum Socialen Frieden* (reviewed in this QUARTERLY, vol. vi, p. 348). He now leaves the domain of abstract discussion and appeals to the facts of industrial life, in order to test the accuracy of certain doctrines. His methods are the same, his style is equally clear and engaging and his results will no doubt command the same assent and popularity as those of his previous work.

The mooted point of doctrine is this: What is the connection of high industrial development with the welfare of the laboring classes? What is the importance to the community of a high or a low standard of life among the laborers? Are high or low wages the best for a country competing with other countries? Dr. Schulze-Gävernitz gives an interesting sketch of the history of the doctrine. On the one hand Petty, Temple and Houghton uphold the necessity of high taxes on consumption and of long hours of work, in order that prices of food may be high and the laborers compelled to work; since cheap food and leisure imply laziness and intemperance among the laborers. On the other hand Child, Postlethwait and Foster demand high wages and cheap food, from the standpoint both of the laborers and of general industry. The author then discusses Adam Smith's and Ricardo's theories of wages and shows once again how the latter became the foundation of modern socialism and the iron law of wages. Finally he calls attention to the recent change of theory, ascribing the main importance to Brentano's onslaught on Ricardo. The modern theory, he thinks, as supported by the "practical men," like our Atkinson and Schoenhof, holds that high