

Sir William Petty; a Study in English Economic Literature.

By WILSON LLOYD BEVAN, A.M., Ph.D. Publications of the American Economic Association, Vol. IX, No. 4. Baltimore, 1894. — 102 pp.

It is unnecessary to emphasize the change wrought by Adam Smith in the spirit of English writing upon economic subjects. His predecessors, with the possible exception of Sir James Steuart, attempted no comprehensive survey of industrial society; they took up practical problems concretely and severally, considering them rather with reference to government initiative than to individual enterprise, viewing them from the standpoint rather of national strength than of industrial prosperity. Among Smith's successors, on the other hand, scarcely one has attained in "scientific" estimation to the first rank, who has not produced sooner or later a "system," or at least a "treatise."

The task of an historian of economics who seeks to present to a modern audience the notions of a seventeenth-century writer has thus become complex. Shall he conform his treatment of Petty, for example, to his audience or to his subject? To follow the former course requires that Petty's ideas be presented systematically, or at least topically, and that the topics be selected and to some extent grouped according to a nineteenth-century conception of them. The advantages of this course are patent: the writer has a ready-made standard for judging Petty's notions, and the reader, at any rate the modern reader, finds prompt answer to the questions that he is likely first to ask. The disadvantages are less obvious, but not less real. They are involved in every such attempt to study a thing before it began as if it had already begun; they may lead to inquiries as to what Petty thought about problems concerning which, in all probability, it never occurred to Petty to think at all. No possible answer to such questions can be correct, for the questions are themselves irrational.

If the historian attempt to follow the second course, and conform his treatment to his subject rather than to his audience, he will find himself forced to study and to discuss each economic problem in the light in which it presented itself to the writer under consideration. This is probably the sounder method, and, as recent studies of Ricardo have shown, it is capable, in competent hands, of affording results of great value. It has, however, a considerable drawback, inasmuch as the historian must supply the industrial *milieu*, which, for a remote period, at any rate, the reader cannot be expected to

construct for himself. And the difficulty of putting the reader in touch with the period under discussion increases, generally speaking, in proportion as that period is remote.

Dr. Bevan's study is not confined to Petty's economic theories. It opens with two chapters on his life (1623-1687), followed by a third devoted to his "Advice to Samuel Hartlib for the Advancement of Learning," and to the "Observations upon the Bills of Mortality." The question of the authorship of the "Observations" is too complicated for adequate discussion here. Dr. Bevan rather summarily assigns them to Petty. The probability has seemed to most investigators overwhelming that the "Observations" were written, as they purport to be, by Petty's friend, Captain John Graunt; and it is not plain that Dr. Bevan has adduced any new evidence of weight on the other side.

The more specifically economic portion of the study is contained in the fourth and fifth chapters. Here Dr. Bevan takes up successively Petty's notions of land, labor, value, rent, money and taxation, closing with a sixth chapter on "Petty in relation to contemporary England, and his place in economic literature." To such topical treatment Petty, who elaborates his concepts with a care unusual among seventeenth-century writers upon economic subjects, is perhaps better suited than any of his contemporaries. Nevertheless, even with the help at critical points of a guide like Roscher, Dr. Bevan has not entirely succeeded — it was perhaps impossible that he should entirely succeed — in avoiding the dangers which beset his chosen method. In taking up Petty's views of labor, for example, he lays more emphasis on the discussions of the differences between laborers, and less on the discussions of their aggregate number, than does Petty himself. Similarly Petty's ingenious attempts to determine the amount of rent are treated at greater length than is his view of rent as the measure of the social surplus, and hence the chief criterion of industrial prosperity. It is true that Petty was, at these as at many other points, nearer to modern views than were most of his contemporaries; but he was by no means so near, it seems to me, as the reader of this study is almost certain to infer. When, for example, Dr. Bevan says (page 98) that "Petty would quite agree with Ricardo's definition of rent as the payment for indestructible powers of the soil," he makes a futile assertion, which it is equally impossible to establish or to controvert; and, what is worse, he risks leaving upon the reader's mind the erroneous impression that Petty's attitude towards the landlord's share was

somehow like Ricardo's. Other examples might be adduced; but these will suffice to illustrate the point. Faults of this sort are almost inseparable from the method employed, and Dr. Bevan has perhaps fallen into them no more frequently than other writers who have attempted like tasks.

There is, however, another characteristic of Dr. Bevan's study which may not pass unnoted. In details it is frequently inaccurate to a degree that must detract somewhat from its value. Not only would it be tedious to specify the fourteen mistakes in the bibliography of Petty's printed writings, or to enumerate a long list of such slips as "a broadside of four pages," "Graunt's death in 1673" (he died April 18, 1674), "Sir Joshua Child," "Samuel Hartlieb," *etc.*, but it would also be peevish to call attention to such trifles, were they not typical of a laxity that extends to more important matters. For example, Dr. Bevan says (page 49) that the "Observations" make "the astounding statement that London doubles its population in eight years." Graunt really says: "in eight times eight years." Again, on page 88 we read: "Granting the correctness of his [Petty's] estimate of the population of England, his assumption that the population of a country always increases in the same ratio is one whose falsity he should have seen." He did see it, and in the very preceding paragraph he guards his statement thus elaborately: "We do for the present, and in this Countrey admit of 360 Years to be the time wherein the People of *England* do double, according to the present *Laws and Practice of Marriages*" (Petty's own italics). Manifestly it is not Petty who has committed the oversight here. Once more — and this shall be the last example — Dr. Bevan places side by side several passages from Petty and from Adam Smith, to show wherein Smith was anticipated by Petty. One of the cases is the following, the italics being Dr. Bevan's:

[Smith:] The rent of a house may be distinguished into two parts, of which the one may very properly be called the building rent, the other is commonly called the ground rent.

The building rent is the interest or profit of the capital *expended* in building the house. . . . This surplus rent (the second) is the price which the inhabitant of the house pays for some real or supposed *advantage* of the situation.

[Petty:] An house is of a double nature, *viz.*, one wherein it is a way and means of *expence*, the other as it is an instrument and tool of *gain*.

Each of these brief extracts needs to be considered in connection with the argument of which it forms a part. Smith calls attention

to the recognized distinction between ground rent and building rent, in order to discuss the incidence of a tax on gross rent collected from the occupier. The "capital expended" is the house-owner's; the "advantage" is the landlord's. Petty's argument is concerned neither with landlord nor with owner; the "expence" and the "gain" are the expense and the gain of the tenant. That this may become apparent, Dr. Bevan's brief quotation from Petty must be completed :

For a shop in *London* of less capacity and less charge in building than a fair Dining-Room in the same House unto which both do belong, shall nevertheless be of the greater value; so shall also a Dungeon, Sellar, then a pleasant Chamber; because the one is expence, the other profit. [Treatise of Taxes and Contributions, 1662 ed., p. 22.]

Petty elaborates this idea to show that the tax is unequal in its imposition; with its incidence he is not here concerned. He considers the tax unequal because houses of like cost of production — "charge in building" — have, according to his general theory of value, like true or "intrinsic" values, and should be taxed like amounts. But such houses are of greater (market) value when used as tools of gain than when consumed in the "way and means of expence." The diversity between Smith's and Petty's points of view comes out even more clearly if their arguments be followed a little further. Smith goes on to say that the builder must have average profits, and that more or fewer houses will be erected, according as the profit on existing houses is above or below the average. Petty's argument is essentially different, because he had in mind the condition of the building trade in London after the Restoration, when, as he almost immediately remarks, the erection of new buildings, if not absolutely forbidden, was at least greatly restrained by statute. In other words, Petty and Smith are, for different purposes, looking at different aspects of building rent, arising out of different industrial conditions. Smith, in the course of his discussion, chances to use a sentence which shows a verbal coincidence with a sentence of Petty's. This coincidence is described as "a small but interesting resemblance." One may agree in part: the resemblance is small — but is it interesting?

Judged by the economic standards of his time, Petty was an able thinker. Much of his work has an historical interest; some of it is valuable even at the present day. To make him better known to students of the history of economics than as yet he is, was a happy thought. It is unfortunate therefore that this, the first large mono-

graph by an American student upon one of the ante-Smithian economists, fails in important respects to meet the expectations raised by the circumstances of its publication.

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La Teoria del Salario nel Concetto dei Principali Economisti.

DI ALDO CONTENTO. Milan, Fratelli Dumolard, 1894. — 374 pp.

The author of this painstaking volume is a professor in Venice, at one of the many technical schools in Italy, which correspond to the German *Realgymnasien*. He is one of the younger generation of Italian economists, whose number and activity show that there is no relaxation in that striking growth of economic science which is among the fruits of the regeneration of Italy.

The book divides itself into three parts. First, a general or introductory part, in which there is very brief consideration of a wide range of topics, — the nature of labor, the law of demand and supply, the difference between labor and commodities, and other like topics. Next, a special part, where the views of various writers of all nations on labor and wages are explained and criticized. Last comes a conclusion, in which the author summarizes his own views, already set forth more or less in the course of his criticisms on the views of others. By far the largest space is given to the second part. Here we have successive chapters discussing the theory of wages at the hands of the English, the Germans, the Austrians, the French, the Italians and the Socialists. The book is thus made up mainly of summaries and criticisms of the views of these various writers.

The historical work is neatly and in the main accurately done; but it can hardly pretend to be exhaustive, and even within the limits inevitable from the treatment of a large subject in brief space, it gives no evidence of special insight or great gifts of interpretation. There are smooth and straightforward summaries of the more prominent passages in the writings of the various authors on the theory of wages. But—to cite only the classic writers—Adam Smith and Ricardo and Mill are by no means discussed with full appreciation of their position in the development of thought. Ricardo did much more to establish the doctrine of the wages-fund than Professor Contento gives him credit for—or discredit, as the reader may prefer; while the younger Mill, to whom our author ascribes “the first true exposition” of that doctrine, did no more than to set forth