

supply of money would be required. There is also a chapter on index-numbers, consisting of the article on that subject in Palgrave's Dictionary.

Professor Moulton, like Professor Phillips, has to make room for many things by omitting much. The omissions seem to have been made judiciously. Thus, with reference to the Federal Reserve system, Professor Sprague's article in the *Quarterly Journal of Economics* (1914) is cited with the omission of one section, that on "Clearing Functions," the one which can, perhaps, best be spared, as dealing with somewhat problematic questions relating to the future. It would be hard to say which author skips most skilfully. Thus, in the racy extracts from Eggleston's *Recollections as to the Confederate Currency*, both writers retain the statement that gold was at a 12,400 per cent. premium. Both reproduce the epigram, "Before the war I went to market with the money in my pocket and brought back my purchases in a basket; now I take the money in the basket and bring the things home in my pocket." But Professor Phillips omits the anecdote of the cavalry officer who inquired the price of a pair of boots. "Two hundred dollars," said the merchant. A five-hundred-dollar bill was produced, but the merchant could not change it. "Never mind," said the cavalier, "I'll take the boots anyhow. Keep the change." On the other hand, Professor Moulton does not include the physician, who would order from a planter whom he was visiting "ten or twenty visits' worth of corn." "The visits would be counted at ante-war rates, and the corn estimated by the same standard."

We hesitate which of the two versions to prefer; and more generally which of these useful complications most to recommend to students and teachers.

*Rural Reconstruction in Ireland: a Record of Co-operative Organisation.* By LIONEL SMITH-GORDON, M.A. (Oxon.), Librarian Co-operative Reference Library, Assistant Secretary Irish Agricultural Organisation Society; and LAWRENCE C. STAPLES, A.M., sometime Parker Travelling Fellow, Harvard University; with Preface by GEORGE W. RUSSELL ("A. E.") (London: P. S. King. 1917. Pp. 279.)

*The National Being.* By A. E. (GEORGE RUSSELL). (Dublin: Maunsel and Co. 1916. Pp. 176.)

MR. SMITH-GORDON and his coadjutor address a great variety of readers. The gospel of co-operation is preached not only to

Irish farmers; the labourers also may hope for benefit from co-operative stores. The landlords, too—or, rather, those who formerly enjoyed that position—are reminded that now that they have descended from that invidious position they are freer to take a leading part in the life of the country. Sir Horace Plunkett's remarkable pamphlet, *Noblesse Oblige*, is appositely cited: "New duties—or, I would rather call them, opportunities—are emerging from the present social revolution, which far exceed in interest and importance those appertaining to the former relation of landlord and tenant." Co-operation being non-political, it is particularly open to the resident gentry to take a lead in this movement. Again, Irish politicians are warned against an exaggerated belief in political remedies—an exaggeration typified by the anecdote of the peasant who ceased planting potatoes on hearing that a Home Rule Bill had become law. Nor is it only the Irish reader to whom this widely interesting work appeals. Co-operators everywhere will be confirmed in their faith by the records and reflections here presented. Economists whose belief in the peculiar efficacy of co-operation may have been shaken by sceptical arguments—such as those examined in a former number of the *ECONOMIC JOURNAL* (1898) by Professor Gide—will here obtain additional experience to set against abstract analysis. The lessons of experience are, indeed, more convincing because they are interpreted by general reasoning. Our authors would subscribe to Professor Pigou's explanation: "The form of Purchasers' Association may, in fact, utilise the altruistic motives alongside of the egoistic as a spur to industrial efficiency." With Professor Gide they would recognise that man is not wholly egoistic. Yet they by no means underrate the force of egoistic motives, the need of self-help. They justly claim for the movement directed by the Irish Agricultural Organisation Society that it encourages voluntary effort and self-reliance. They wisely observe that the ultimate criterion of Irish land legislation is to be looked for in its effect on character. Co-operation forms a needed complement to legislation which might have resulted in a relaxation of effort.

In the opening sentence of the Preface contributed by "A. E." it is truly said: "This volume contains the most complete and accurate history of a movement which has come to be of the highest importance to Ireland." The early history of the movement had, indeed, been traced by other able hands; notably in the *ECONOMIC JOURNAL* by Professor Finlay (1896) and by Sir Horace Plunkett (1897). But in view of subsequent develop-

ments our authors' record of co-operative organisation is more complete. The origin and root-idea of the system having been exhibited, the various growth of the widely ramifying branches is next traced. Of these the most flourishing—the earliest and the most successful of those cultivated by Sir Horace Plunkett—consists of the creameries. Irish butter, which in the earlier 'eighties could be described as principally used for adulterating margarine, now rivals the products of Denmark. The turnover of the creameries in 1915 was almost £3½ millions. But in spite of their immense success the creameries have not entirely escaped the danger to which the "inveterate propensity to truck" exposes all forms of combination. "The creameries," we read, "are scarcely more free from competition in sale than they were at the beginning of the movement, for the unfortunate reason that they have not yet been convinced of the necessity of not competing with each other." The unreformed system of marketing still admits of every creamery competing with the rest in "cutting" prices. A peculiar disability under which the creameries labour is due to the falling off of the milk supply in winter consequent on the prevalence of grass farms. The remedy is the introduction of tillage suited to small dairy farms; a remedy which will perhaps be hastened by the war. The creameries sometimes combine with the work of dairying a function which belongs specifically to the agricultural societies—the collective purchase of agricultural requisites at a reasonable rate, with a guarantee of quality. The agricultural societies also suffer from the discontinuity of their activity. "The members of the society take little interest in its existence except at the particular season of the year when the requirements are bought." The remedy, which consists in increasing the range of articles which the society buys for its members, is hampered by the condition attached to the grant from the Development Commissioners, that societies for other than agricultural purposes should not be promoted or admitted to recognition. The difficulty thus caused has been partly turned by the Irish Agricultural Wholesale Society. Breaking through hostile rings of manufacturers, this society can boast that it has secured for the farmer a reduction of 50 per cent. in the price of guaranteed manures.

We cannot hope within our limited space to render intelligible to our readers the workings of the various societies, which the authors describe minutely yet clearly. Passing over the societies described as "miscellaneous," and the home industries, we shall advert only to the credit societies. These, in point of magnitude

and potential importance, deserve a foremost place; but in respect of actual success they rank low. Some improvement, indeed, under the auspices of the I.A.O.S. was made upon the old Loan Fund system which was inaugurated by Dean Swift, and on the more modern "trust auction." The latter method of borrowing consists in discounting a bill based on a fictitious sale. For example, "a farmer raised £10 on a cow by thus selling her to his son at an auction. Next day the same cow was sold by the son and bought by the father, so that £20 was raised on the one animal in two days." But the fair prospects of the credit societies have not matured; partly, according to our authors, owing to the adverse action pursued by the Department of Agriculture and Technical Instruction ever since 1907, when Sir Horace Plunkett was succeeded by another President. The Department is represented by our authors as continually thwarting the beneficent endeavours of the I.A.O.S. The traders influence the politicians; the politicians influence the Department; and the Department uses its influence to prejudice the cause of Co-operation. To that influence the authors ascribe in part the unsatisfactory financial condition of the I.A.O.S., which is far from being, as it ought to be, self-supporting.

Notwithstanding some gloomy signs, the authors take a cheerful view of the future. At least, their predictions are of a kind sometimes employed by the Hebrew seers when they prophesied blessings conditional on good conduct. If the creameries arrange their marketing properly, if the agricultural societies secure continuous activity, if the farmers support the I.A.O.S. financially and take an interest in the local societies, if co-operative stores for the benefit of the labourers are created, then indeed will be realised all the blessings which are expressed in the co-operative motto: "Better farming, better business, better life." One great improvement in Irish life will be the mitigation of sectarian and political animosity, a result already becoming visible. "On the Committee of the I.A.O.S. and of the individual societies Catholics and Protestants sit in friendly discussion. Sinn Feiners and Constitutionalists, Unionists and Home Rulers forget for the moment their embittered differences." At least, "the dividing facts of life are being relegated to their true position by the realisation of community of interest in the economic sphere."

For a fuller description of the better life, the reconstructed Irish civilisation, which is to spring from the principle of co-operation, we turn to the glowing pages of "A. E." His sublime

conception of national well-being is free from the taint of aggressive militarism. Independently originating an idea which had also occurred to William James, our author proposes to substitute for universal military service a sort of industrial conscription. "Suppose Ireland had through industrial conscription about fifty thousand young men every year at its disposal under a National Works Department." The benefits of discipline and obedience attributed to military service would be secured by labour conscription. The cost of beneficial public works would be reduced greatly. "National schools, picture galleries, public halls, libraries, and a thousand enterprises which now hang fire because at present labour for public service is the most expensive labour, all could be undertaken."

The new Irish civilisation is to be based on rural rather than urban industry. "The creation of a rural civilisation is the greatest need of our time." The picture of the future rural community is quite idyllic. "There will be, of course, a village hall with a library and gymnasium where the boys and girls will be made straight, athletic, and graceful. In the evenings, when the work of the day is done, if we went into the village hall we would find a dance going on, or perhaps a concert." Meanwhile, the Council of the Community might be discussing how best to lay out their abundant profits. "One might like to endow the village school with a chemical laboratory, another might want to decorate the village hall with reproductions of famous pictures, another might suggest removing all the hedges and planting the roadsides and lanes with gooseberry bushes, currant bushes, and fruit trees."

A new "Sweet Auburn" seems to be realised. We are, indeed, in the presence of a poet, one of those by whom "the world is wrought into sympathy" with new motives and ideals. The mere economist must recognise a creative force which transcends logical analysis. He will recall the feeling of Mill towards Carlyle. "I felt," says Mill, "that he was a poet and that I was not; that he was a man of intuition, which I was not." But Mill, while deeply influenced by Carlyle, did not surrender his own sturdy belief in the virtue of competition. We may follow the inspired author of *The National Being* with similar reservations. We need not accept the verbal inspiration of passages which seem to deprecate economic competition. "Our feebleness arises from economic individualism." "What really prevents an organic unity in Ireland is the economic individualism of our lives." "People compete against each other

and under-sell each other . . . stultify each other's efforts and reduce each other to wretchedness." We are not prepared to affirm with our author that "there never can be any progress in rural districts or any real prosperity without such farmers' organisations or guilds." Similar sweeping predictions have been made by high authorities as to co-operative industry. But these prophecies have failed, largely because they could be fulfilled in the spirit without being fulfilled in the letter. As Mr. L. L. Price has pointed out in his writings about Co-operation, its best parts can be grafted on to the wage system without tearing up that system by the roots. The spirit and essence of the co-operative ideals so beautifully imaged by the poet-economist will in the coming civilisation, we trust, be realised. But as to the form of the future economy, the words of another poet, reflecting on his own youthful prophecies, seem appropriate: the earth will be

"Something other than the wildest modern guess of you and me."

*Money, Its Connexion with Rising and Falling Prices.* By EDWIN CANNAN, M.A., LL.D., Professor of Political Economy in the University of London. (London: P. S. King. 1918. Pp. 66. 2s. 6d. net.)

ORIGINALLY intended as a supplementary chapter of the author's *Wealth*, this little work grew under his hands, and became suitable for separate publication "with a title likely to make plain the application of its argument to present conditions." The writer aims at assisting the reader "to acquire some clear notion of what makes the value of money change." Professor Cannan has succeeded perfectly in this endeavour. The little book is a model of lucid exposition. In verification of this judgment we may refer to the felicitous illustration of index-numbers as used to measure variations in the level of general prices (p. 5). The parable is too long for insertion here, and its anecdotal charm would suffer by compression. Among the "clear notions" which are impressed with new force is the doctrine that, in J. S. Mill's words, "money is a commodity, and its value determined like that of other commodities." Professor Cannan makes some advance on the classical theory when he argues that the law restricting the use of silver as legal tender beyond £2 and that of bronze beyond 1s. "has nothing to do with the value of the silver and bronze coins" (p. 32). A notable contribution to