

*Kleingewerbe und Hausindustrie in Oesterreich. (Beiträge zur Kenntniss ihrer Entwicklung und ihrer Existenzbedingungen.)* By DR. EUGEN SCHWIEDLAND. 2 vols. 8vo. (Leipzig: Duncker und Humblot. 1894.)

DR. SCHWIEDLAND'S work named above is no longer quite a recent publication. It is, nevertheless, one of much current interest, notably for English readers whose attention is drawn daily to the sweating system. Besides, investigations of this kind do not grow old. They are collections of facts, and nothing, I ween, is so immortal. Philosophies, theories, hypotheses pass by and disappear; facts remain. Recourse must be had to them; hence to methodically combine facts that are pertinent and interesting is a very happy and meritorious way of handing on one's name to posterity.

Such would seem to be the aim of Dr. Schwiedland, who belongs to the so-called 'Realistic' school, which has already produced so many useful and important works. The two volumes under notice are only the first instalments of a collection which so far promises to be abundantly interesting.

The first volume contains the introduction. It treats of the economic standing of home work and petty industries, and consists of two distinct essays—one being an inquiry into the origin of domestic industry, the other discussing the position of the small independent master-artisan in modern competition.

As the groundwork of the former essay, the author affirms that home industries may have a twofold origin. Either they represent the derivative form of an earlier stage of industry, whether that were home work proper (*Hausfleiss*), hired labour (*Lohnwerk*), or a specific trade or handicraft (*Handwerk*); or else they represent a fresh departure, a more or less voluntary and conscious constructive effort. An *entrepreneur*, for instance, may commission peasants to work for him at their homes, because of the cheapness of this form of labour, till that work ends by superseding agricultural labour. Or, again, a domestic industry, which does not as such amount to a specific trade, *e.g.*, knitting, sewing, embroidery, may become transformed, through the action of a dealer, or a large firm, into a genuine specialised industry. Dr. Schwiedland calls this home industry primary.

He makes a minute study of the different modes and conditions of these industrial formations and transformations. By the aid of numerous examples drawn from existing treatises, as well as from observations taken in Austria, he distinguishes each and every original type of such industries. It may be recollected in what a masterly manner Karl Bücher, in his book *Die Entstehung der Wirtschaft*, and his article 'Gewerbe' in Conrad's *Handwörterbuch*, has expounded the rise of home work and assigned it its place in the evolution of industry. Dr. Schwiedland's studies may be said to complement and enrich those of Bücher, while confirming the latter in all essential data, and this is no

mean praise. In particular, he shows with the greatest clearness that home industry is not derived solely from professional industry (*Handwerk*). Herein he differs from those who tend to see in the evolution of industry a series of phases all succeeding each other in a necessarily uniform order. Home industry, we repeat, may be derived equally well from domestic avocations, hired labour, &c. The treatise attains, so far, its highest level in the part setting forth the common characters of the different kinds of home industry (p. 78, ff.). This is a chapter that all students of political economy should master.

In describing the origins of home industry the author shows us the working of modern capitalism in the exploitation of the various forms of domestic handicrafts by the export merchant, the large retail firm, or the manufacturer.

The end of the first volume is devoted to an examination of the vexed question of the struggle of the small handicraftsman both against the factory and against the labourers of his own trade 'sweated' by the skilful dealer. The author adduces a quantity of statistical information relating to Austria-Hungary, rendering it possible to measure the ground that is being little by little lost by the craftsman confronted by large-scale industry in that country, where at the present time the former is still to be seen under perhaps the best conditions. He makes us see in what respects free labour and free trade have served the cause of the large capitalistic workshop—another chapter, this, of the most interesting character, enriched with invaluable statistical data. It were really desirable could investigations of this kind be carried out in every country, Schmoller's *Geschichte des Kleingewerbes im XIXten. Jahrhundert* serving as a model. I do not despair, for my part, of making a contribution to the subject with respect to Belgium, where there has been an evolution more rapid perhaps than may be found elsewhere.

The second volume of Dr. Schwiedland's work is an extensive monograph (pp. 450) on the pearl button industry in Vienna. It may rank with the best of the notable specimens of the same kind of research furnished by Germany. In so saying I feel bound once more to attest the superiority of the monograph on an industry as compared with that on the worker and his family preferred by the school of Le Play. No doubt the personal monograph is instructive in several ways, but it is never wholly free from the failure of presenting too much that is merely contingent and particular. Moreover, the choice of the person or persons described is in itself open more or less to suspicion. On the other hand, in the careful observation of an entire industry we get easily at the economic phenomena themselves, stripped of accidental and disturbing influences.

Dr. Schwiedland's studies should be read if one would realise how a trained and enlightened observer can make one see economic life itself in its varied movements. In the first place we have a description of the fishing for the shell-fish containing the mother-of-pearl and of

the organised wholesale trade in the raw material, the centre of which is in London. We find that the mother-of-pearl industry, indigenous to the East, took root at Vienna in the eighteenth century, and, by a series of technical improvements, has become a characteristic speciality of the capital of the Hapsburgs. We next have an analysis of the legal standing of the trade under the different industrial systems of Austria; we then come to a highly detailed and interesting picture of the position of the master-workers (ch. v.), then to one on that of the workmen (ch. vi.) confronted by the growing difficulties due to international competition. This analysis is really very impressive, and I commend it to those many English readers who have a fondness for realistic descriptions drawn fresh from economic life. They will there find a vivid portrayal of the action and reactions of commercial crises on the whole of a trade the existence of which is threatened by the smallest Customs duty. The effects, for instance, of the McKinley bill will be found very instructive.

In conclusion, we are brought to the means of fighting against, or of improving, home industries. The author has no faith in the efficiency of masters' syndicates, nor of the law, but he has hope in the organisation of the workers themselves.

No one will read these two volumes by the distinguished co-editor of the *Revue d'Économie Politique* without hoping with me that he will soon produce a sequel to his collection of monographs of which they form so brilliant an instalment.

ERNEST MAHAIM

*A History of Modern Banks of Issue*, with an account of the economic crises of the present century. By CHARLES A. CONANT. (London and New York: G. P. Putnam's Sons, 1896).

THIS is a book with a twofold purpose. As its title implies, it aims principally at giving, for the benefit of those interested in currency and banking on both sides of the Atlantic, some account of the development of banks of issue in every part of the world; but it has also, closely interwoven with this ostensible object, a secondary and controversial aim, that of proving to "thinking Americans" that "the currency of a commercial country should be regulated by commercial conditions, and not by the whims of politicians." To "thinking" people in this country, as to the author, this statement seems axiomatic, but the financial history of the United States for the last thirty years has shown that monetary principles which are here regarded as fully established may there be freely and fiercely challenged. This being so, we must not grudge Mr. Conant the space occupied by the more polemical part of his task, but, commending it to those of his fellow-countrymen for whose enlightenment it is written, turn to that part which seeks, and seeks successfully, to interest a larger circle. The

scope of the work is in reality wider than might be thought at first sight. So many modern banking systems have, like our own, been built up on the power of issue, and the exercise of that power still constitutes so large a part of the function of bankers in many States, that the history of modern banks of issue in various countries is of necessity practically a history of modern banking systems in general. Viewed in this light, Mr. Conant's work is a distinctly useful one. There is little originality about it. It does not claim to be much more than a collection of facts from published works and public records. But the facts are carefully chosen and well digested, and are brought together in a form which is compact and handy for reference. In the course of the general review of the banking systems of the world a good word is said for the mode of issue adopted by the Enskilda banks of Sweden; the Scotch system is of course held up as most nearly approaching the ideal in the two essentials of security and elasticity, and, equally of course, the Canadian system is compared favourably with that of the United States. Further evidence that the author is not blind to the defects of American methods is furnished by his criticism on the financial legislation which contributed to the troubles of 1893, and by his strenuous advocacy of the substitution of a banking for a Treasury-note currency in the States. One naturally turns in a book like this to the chapters on the Bank of England, in order to ascertain, in the manner deprecated by Bagehot, the writer's opinion on the operation of our own Bank Act. He admits, as most men do by this time, that so far as some of its principal objects are concerned, such as the prevention of speculation and the reduction of note issues to correspond with gold exports, it has proved a failure, but he acknowledges that it has resulted in advantages which were not foreseen at the time of its enactment. The usual term of office of the Governor of the Bank of England, by the way, is two years, and not one, as stated in one of these chapters. Short notices of the note issues of China, Japan, and South Africa bring the history well up to date. In the latter part of the book Mr. Conant deals with financial crises and their causes. This is a well-worn theme, but the writer's observations on the United States crisis of 1893 contain information from original sources, and are well worthy of study in view of the recent controversy between East and West. Readers with scanty leisure who may be interested in the more controversial aspect of the writer's subject will find his conclusions well summarised on pages 6 and 20, but those who wish to get a clear idea of the leading features of European and other banking systems and methods of issue will do well to study the work as a whole. It has a good index.

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