

THE THEORY OF  
IDLE RESOURCES

*By the same author*

**ECONOMISTS AND THE PUBLIC**

**JONATHAN CAPE, 1936**

**THE THEORY OF COLLECTIVE BARGAINING**

**P. S. KING & SONS, 1930**

THE THEORY  
OF  
IDLE RESOURCES

*by*

W. H. HUTT



JONATHAN CAPE  
THIRTY BEDFORD SQUARE  
LONDON

FIRST PUBLISHED 1939

JONATHAN CAPE LTD. 30 BEDFORD SQUARE, LONDON  
AND 91 WELLINGTON STREET WEST, TORONTO

X: 23. N3  
G9  
264652

PRINTED IN GREAT BRITAIN IN THE CITY OF OXFORD  
AT THE ALDEN PRESS  
PAPER BY SPALDING & HODGE LTD.  
BOUND BY A. W. BAIN & CO. LTD.

# CONTENTS

PREFACE	15
CHAPTER I — DEFINITION OF IDLENESS	23
<p>(1) Similar causes exist for idleness in labour, equipment and all other resources. (2) Idleness has one appearance but exists in several senses, (3) which require definition. (4) Popular conceptions of unemployment of labour recognized by custom and law do not help us to define 'idleness'. (5) The categories isolated here are based on logical rather than empirical criteria, (6) and the framers of policies ought to recognize them. (7) There can be no measure of utilization or idleness, (8) and Mr. Keynes's attempt to measure 'employment' has absurd implications. (9) Orthodox theory does not, as has been alleged, assume 'full employment', (10) which notion has no meaning as an absolute condition. (11) 'Idling', meaning 'under-employment', is a parallel conception to 'idleness'.</p>	
APPENDIX TO CHAPTER I, ON DEFINITIONS	38
CHAPTER II — VALUELESS RESOURCES	41
<p>(1) Valueless idle resources are those which it would not pay any individual to employ, even if no charge were made for their use. (2) The range of valuable resources may expand or contract. (3) This does not imply any expansion or contraction in the effectiveness of the response to consumers' (or some other) sovereignty. (4) The vague phrase 'increase in economic activity' can only have meaning if it refers to a fall in the proportion of valuable idle resources to all valuable resources. (5) Purely valueless equipment can have no net scrap value. (6) Resources are not valueless because the costs of depreciation cannot be earned. (7) Idle unscrapped resources possessing scrap value may be in pseudo-idleness; (8) and idle re-</p>	

## CONTENTS

sources with capital value but no scrap or hire value are 'temporarily valueless'. (9) The idleness of equipment is seldom due to its being purely valueless. (10) Full utilization of existing resources is more likely to cause the range of valuable resources to expand than to contract. (11) Resources which have negative capital value but provide valuable services are unimportant. (12) Except for imbeciles, the sick and children, there are no parallels to valueless resources in labour. (13) The 'unemployed' are idle for quite different reasons. (14) And natural resources which have once been valuable seldom lose all their value, so that any subsequent idleness must be due to other causes.

### CHAPTER III — PSEUDO-IDLENESS

57

(1) Uncompleted equipment in process of construction must be regarded as employed; (2) and individuals adding to their powers through education, or (3) conserving their powers through rest, or (4) actively 'prospecting' for remunerative jobs, may similarly be regarded as employed. (5) Pseudo-idleness is a similar but not identical condition. (6) It exists when the capital value of resources is greater than their scrap value, whilst their net hire value is nil. (7) The service rendered by such resources is that of 'availability'. (8) Pseudo-idleness can be illustrated in capital consumers' goods and capital producers' goods. (9) The 'availability' may be regarded as continuously purchased in the form of capital investment until utilization takes place, or as continuously enjoyed and consumed in the form of income; (10) and this process is taking place, even when 'availability' is preserved without actual idleness. (11) The indivisibility of an efficient unit of specialized equipment is a common cause of pseudo-idleness under fluctuating or spasmodic demand, (12) and sometimes under constant demand. (13) Reserves of goods for sale, or stocks of goods in course of liquidation may be in pseudo-idleness.

## CONTENTS

### CHAPTER IV — PSEUDO-IDLENESS IN LABOUR

71

(1) As skill once acquired is seldom lost, pseudo-idleness in labour due to feared loss of specialized skill is rare (2) although cases may exist. (3) But important cases arise when supplementary employments will destroy simple availability for more profitable employments. (4) Those who accordingly keep themselves attached to a trade, are paid (5) not by a retaining fee, but through favourable 'expectation of earnings'. (6) Similarly, if 'floating labour', unattached to a particular trade, is a necessary consequence of productive technique, it is in pseudo-idleness and remunerated through 'expectation of earnings'. (7) The reality of such remuneration may be simply demonstrated. (8) The typical poverty of casual workers does not affect the issue. (9) The 'reserves' are purchased through wage-rates, and cannot be 'forced' unless employers' monopoly can destroy labour mobility.

### CHAPTER V — PREFERRED IDLENESS

82

(1) Preferred idleness is found in labour only. The simplest case is preference for leisure. (2) Things like pride, prestige, boredom or laziness may lead to idleness being preferred to the return from employment. (3) The preference for idleness may depend upon attachment to a district where an individual has relatives or friends and a customary mode of living. (4) Given the social will, preferred idleness implies no wrong use of resources but might be deplorable on moral grounds. (5) Preferred idleness among the 'work-shy' tends to vary according to the income available without work. (6) There may be a preference for jobs giving intermittent leisure, (7) and if the effect is held to be 'demoralizing', decasualization might be a remedy. (8) But the 'reckless' and 'lazy' casual labourer may simply be relying upon the fact that he will not be allowed to starve.

## CONTENTS

### CHAPTER VI — IRRATIONAL PREFERRED IDLENESS 93

(1) Consumers are apt to be more vigilant in respect of the price than the quality of a commodity. (2) Similarly, workers in general tend to be more concerned about wage-rates than about the purchasing power of wages, and in depressions may collectively prefer unemployment to employment at lower wage-rates. (3) Mr. Keynes seems to argue that much idleness is due to this cause which, he implies, orthodox economists overlooked. (4) But although the conception of 'irrational preferences' lies outside the province of 'pure theory', except as data, this has not meant blindness to their existence; (5) for the orthodox have realistically recognized the significance of such preferences in relation to scarcity through the conception of 'net advantageousness'. (6) It is the statesman rather than the economist who is concerned with the avoidance of the results of irrationality in preferences. (7) But in any case, *other* sources of irrationality are probably much more serious.

### CHAPTER VII — PARTICIPATING IDLENESS 104

(1) Resources are in participating idleness when their idle existence confers the right to participate in monopoly revenues. (2) The condition may arise under a restrictive quota scheme. (3) But resources may actually attach themselves in idleness to a monopolized trade because of participation rights obtainable. (4) Unless complete mergers are possible, unused capacity is likely to be maintained for 'quota-hunting' (5) although, since participating idleness militates against harmonious output restriction, other distributive arrangements may be sought. (6) Interloping resources may be attracted in *to share in the chance* of employment in a monopolized field. The consequent participating idleness may be illustrated by the example of petrol retailing. (7) 'Participating idleness' may easily be confused with 'pseudo-idleness' or 'aggressive idleness'.



## CONTENTS

### CHAPTER VIII — PARTICIPATING IDLENESS IN

#### LABOUR

114

(1) Participating idleness in labour is most clear under 'short-time' work with 'work-sharing' motives, the monopoly-revenues being shared equally, (2) and cessation of recruitment being a means of sharing them among a declining number.

(3) Participating rights are not conferred on a worker accepting another employment. (4) An excluded worker may remain unemployed and attached to a monopolized trade because his availability increases his *chance* of the privileged employment it may offer; (5) and even if temporary employment would not destroy his availability it might weaken his *right* to privileged employment. (6)

Interlopers may be *attracted in* to share in the *chance* of employment in a monopolized field. The consequent participating idleness may be illustrated by the example of stockbrokers, (7) or the medical profession, (8) or certain poorly paid casual trades; (9) in the latter cases, the odium attaching to the employers of low-paid labour having the same consequence as wage-fixation (10) and acting as an important contributory cause of the casual nature of such employments. In these circumstances, decasualization is inequitable. (11) Work-sharing arrangements resemble the quota systems of cartels, and unemployment benefits paid out of union funds resemble cartel bonuses to compensate for the withdrawal of output. (12) But, unlike unemployment benefits, cartel bonuses are not contingent upon the continued idleness of the resources in alternative employments. (13) In practice, State-subsidized unemployment benefits support general restrictionism in the labour market and are contingent upon absolute idleness. (14) But cartel arrangements are voluntary in a sense in which labour restrictions are not. (15) For justice, the compensation conferred by a union's unemployment pay should be complete; (16) and this would be insisted upon if the

## CONTENTS

members of a trade-union regarded it as shareholders do a firm. (17) But organized labour has usually been hostile to the dilution of monopoly-revenues through work-sharing. (18) The failure of the poor to share their poverty is the most neglected aspect of the unemployment problem.

### CHAPTER IX — ENFORCED IDLENESS

137

(1) Resources excluded from or withheld from monopolized employments must, if they remain idle, be idle in some other sense also. (2) 'Enforced idleness' is caused by the exclusion of resources during the monopolization of production; but the term has a limited meaning (3) and must be distinguished from two other forms of 'waste': (i) specialized 'diverted resources' which happen to find inferior employments, and (ii) the hypothetical resources which might have become specialized in the monopolized field but for powers of exclusion. (4) 'Diverted labour resources' may be described as in 'disguised unemployment', but the condition is unimportant in relation to other forms of waste which are not expressed in idleness. (5) 'Enforced idleness' may be caused by the monopolization of co-operant stages of production.

### CHAPTER X — WITHHELD CAPACITY

146

(1) 'Withheld capacity' or 'diverted resources' arise from voluntary monopolization. (2) Mr. Keynes's conceptions, 'expectation of return' and 'disutility', cause the distinctions which we have to discuss to be overlooked. (3) If the monopolists' optimum outputs are everywhere attained before depression, the further withholding of capacity in depression cannot be simply explained. (4) A 'pure' price depression does not make withholding of capacity more profitable, (5) nor does it make interloping any the less easy. (6) The withholding experienced in practice is due firstly to the relations

## CONTENTS

of monopolistic co-operant producers (7) whose incentive to arrange for their collective optimum output is defeated in the scramble to preserve individual revenues. (8) The withholding is due secondly to outputs having previously exceeded the monopolists' optimum, probably owing to 'reasonable' and not maximum profits having been sought. (9) But a group may withhold capacity in its short-run interest, and against its long-run interest, (10) which is particularly likely owing to the practical indeterminateness of the monopolists' optimum. (11) And withheld capacity may be 'individually rational' but 'collectively irrational'; (12) or 'individually rational' and irrational for the group. (13) When indivisibilities are large, the withholding of capacity may not, in rare circumstances, conflict with the consumers' sovereignty ideal. (14) Mr. Keynes's 'involuntary unemployment' may be intended to refer to the case of withheld labour capacity which is 'collectively irrational'; (15) but his conception seems to be based on the assumption that the power to withhold capacity cannot be restrained and that the resulting idleness can be avoided only through monetary policies, (16) a view which the economist should not accept.

APPENDIX TO CHAPTER X, ON THE CONCEPTIONS  
OF 'COLLUSIVE' AND 'NATURAL'  
MONOPOLIES

170

CHAPTER XI — STRIKE IDLENESS AND AGGRES-  
SIVE IDLENESS

174

(1) The distribution of monopoly-gains among co-operant monopolists is indeterminate, and may depend upon 'reasonableness' or (2) bargaining, in which case 'strike idleness' may arise. (3) When competing firms operate over more than one set of co-operant productive processes, distribution may be arranged through 'demarcations', which may be

## CONTENTS

enforced by strikes. (4) 'Strike idleness' does not arise from 'withheld capacity' unless a co-operant producer resists in order to force a sharing of the monopoly-gains. (5) 'Aggressive idleness' arises from the maintenance of unutilized capacity with a view to aggressive selling against potential interlopers.

### CHAPTER XII — CONCLUSION

183

(1) This essay has concentrated on 'idleness' issues, and ignored 'demand' issues. (2) But our analysis of idleness has introduced distinctions which are essential for any satisfactory study of the effects of demand variations. (3) The application of our conceptions to monetary theory has yet to be done (4) although they are directly serviceable in studies of the non-monetary aspects of idleness and (5) the trade cycle, and (6) may suggest the correct approach to the monetary aspects of idleness. (7) Wasteful idleness arises through the restriction of competition.

### INDEX

191

## P R E F A C E

It is curious that so important a subject as unemployment should have brought forth no treatise devoted to theoretical analysis of the condition. There have been many books purporting to deal with unemployment of labour, but these have either been descriptive works, like Sir William Beveridge's famous *Unemployment, a Problem of Industry*, or theoretical studies of demand, like Professor Pigou's *Theory of Unemployment*, or Mr. J. M. Keynes's *General Theory of Employment, Interest and Money*. This essay tries to fill the gap. The necessity became clear to me in the course of an attempt to envisage the institutions required for an equalitarian or competitive society. Having found no satisfactory analysis of conceptions which it seemed essential to employ, I was forced to provide my own textbook treatment.

My reason for using the term 'idleness' instead of 'unemployment' is that the latter term has, by tradition, become associated with the idleness of labour, and any satisfactory study must obviously be concerned with 'idleness' in *all* resources. And having made 'idleness' my topic, I have adhered strictly to it, and do not claim to have made any direct contribution to monetary or trade-cycle theory. I was at first tempted to venture into this

## P R E F A C E

province, but after many wanderings I could not feel satisfied that I had found my bearings with sufficient accuracy to try to guide others. Nevertheless, I have indicated a region which ought to be explored with the instruments that I have provided. My several critical references to the work of Mr. J. M. Keynes are due to the fact that his *General Theory* happens to be in the thoughts of all economists to-day. I have been wisely advised not to touch on any of the major controversies which his contribution has aroused. Certainly I have not avoided controversial topics. But it is my hope that all sides in the current debate on the monetary causes of idleness will find my analysis realistic and useful, and that it will be of some help to them in searching for the origin of their differences.

Although I am offering a 'theoretical' contribution, a mere contribution to conceptual clarity, my inspiration has throughout been the closest interest in practical affairs. The objective problem of inventing institutions which could foster security and equality has been the motive which has guided my study at each stage. I earnestly believe that policy-makers could find enlightenment in it. But I am sufficient of a realist to know that the chances of its exercising any influence on policy are small. The politicians in unemployment-cursed countries are too concerned with their immediate popularity to give much consideration to a dispassionate

## PREFACE

analysis such as I have attempted. For if they do glance at its pages they will soon see that its implications cannot be easily reconciled with ideologies to which they feel they must of necessity pander.

However, to encourage the policy-makers, I have endeavoured to treat the subject, as far as possible, in a non-technical way. Any patient and intelligent layman should be able to understand my argument. I have reduced the current jargon and conventional technical conceptions to a minimum, and where I have employed them, their meaning should be sufficiently evident to the careful reader. In this way, my treatment differs from all the recent theoretical studies of demand which intend to deal with the causes of idleness. My suggestions need not be taken on authority. The reader who is unacquainted with the economic textbooks may follow my reasoning from point to point and himself decide on its validity. I welcome the layman not, as Mr. Keynes does in his *General Theory*, as an 'eaves-dropper', but as one who can and should consider my thesis. I do not claim, however, to have produced a 'popular' work. Where I have thought it helpful, I have not shrunk from exploiting the most abstract conceptions. And I have incidentally introduced a new jargon of my own. Hence, the reader who is inexpert in economics must persevere and have constant recourse to the summaries which may guide him through a labyrinth of notions.

## P R E F A C E

It has not been my task in this essay to recommend specific reforms. Certainly I have hinted at desirable changes, but my aim here has been to determine causes. If would-be reformers feel bewildered by the practical difficulties which my analysis of causes discloses, they may be helped by my own attempt to face the basic obstacles in my *Economist and the Public*, Chap. XXI, entitled 'Vested Interest and the Distributive Scheme'. The clue to the understanding of the chief economic and sociological problems of to-day can be found, in my opinion in a recognition of the struggle which is in progress against the disrupting equalitarian effects of competitive capitalism. Competition and capitalism are hated to-day because of their tendency to destroy poverty and privilege more rapidly than custom and the expectations established by protections can allow. We accordingly find private interests combining to curb this process and calling upon the State to step in to do the same; and unless the resistance is expressed through monetary policy, the curbing takes the form of restrictions on production. Hence there arises a clash between what I have called the 'productive scheme' and the 'distributive scheme'; and wasteful idleness, both in labour and in physical things, appears to be due to the consequent restraint of productive power — a restraint imposed immediately in defence of private interests, but ultimately appearing to be reasonable and just.



because it defends an existing and customary distribution.

The original typescript of this book was completed more than two years before the present version was sent to the publishers. Several copies were put into circulation and I received advice and encouragement from so many friends that it is impossible to make adequate acknowledgments. But I have a special debt of gratitude to the following who at different times read the whole of the typescript as it then stood and whose comments led to substantial changes of terminology, exposition or content: Professor Lionel Robbins, Mr. Frank Paish, Professor Arnold Plant, Professor F. A. Hayek and Mr. I. A. Shannon.

W. H. HURR

University of Cape Town

1939

## INDEX

- ADVANTAGE OF SITE AND SIZE, 170**  
 Aggressive idleness, 70, 108-10, 112-13, 180-2  
 Aggressive selling, 138, 178  
 'Aggressor' in strike, 176  
 Alden and Hayward, 80, 87  
 'Allotment hunting' (See 'Quota hunting')  
 Apparent withheld capacity, 69, 163-5  
 Availability, 62-7, 70, 73-6, 117-18  
 Avoidable costs, 145, 153-4, 176, 178-9  
  
 'BAD EMPLOYERS', THE, 27, 123  
 Bastiat, F., 99  
 Beveridge, Sir William, 15, 80  
 Black-jegging, 131  
 'Bleeding' of Insurance Fund, 132-3  
 Bonuses for scarcity creation (See 'Compensation')  
 Brassey and Chapman, 77, 130  
  
 'CA'CANNY', 125, 147  
 Cairnes, J. E., 38-9  
 Cannan, E., 39  
 Cartels, 105-7, 127, 130, 146, 181  
 Cassel, G., 26  
 Casual labour, 28, 73-7, 80, 88, 122, 126, 133  
 Causes of idleness, conception of, 29-30, 183  
 Chance of employment in a monopolized field, 110, 117, 119, 121, 126  
 Chance of employment in unmonopolized field, 75-81  
 Chapman, Sir Sydney, 77, 130  
 Charity Organization Society, 79  
 Children, 51-3  
 Classical theories (See 'Orthodox Economics')  
 Collusive monopolies, 170-3, and *passim*  
 Compensation for leaving a trade, 116, 127-36  
 Compensation for withholding or exterminating capacity, 105, 109, 128-36, 147  
 Competition, conception of, 170-1  
 Consumers' sovereignty, 43-5, 94, and *passim*  
 Contrived scarcities, *passim*  
 Co-operant processes and enforced idleness, 144-5  
 Co-operant processes and strike idleness, 174-80  
 Co-operant processes and withheld capacity, 153-63  
 Co-operation through exchange, willingness for, 44, 49-50  
 Comte Auguste, 38  
 Convict labour, 51-2  
 'Craft' unionism, 177  
 Cyclical idleness, 28  
  
 DECASUALIZATION, 89-91, 126-7  
 Deception of consumers for their own good, 94  
 Deception of workers for their own good, 101, 166  
 'Defender' in strike, 176  
 Definition of idleness, Ch. I, App. to Ch. I  
 Definitions, principles of, 25-7, App. to Ch. I  
 Deflation, 151-3, 189  
 Degradation through idleness, 83-92, 102-3  
 Demand in general, studies of, 15, 148-9, 151, 183-5  
 'Demarcations', 140-1, 177-8  
 Depreciation, 46, 61-2, 71  
 Destruction of skill, 71-3  
 Dignity of the worker, 96, 100  
 Dilution of participating rights through interloping, 111-12, 119-22  
 Dilution of participating rights through unemployment benefits, 116-17  
 Dilution of participating rights, through work-sharing, 134-6  
 Discriminatory charges, 120, 138, 163, 182  
 Discriminatory charging in the medical profession, 120  
 'Disguised unemployment', 28, 142-4  
 Distributive scheme, 18, 130, 161, 187-90  
 Disutility and 'inducement to work', 25, 149  
 Diverted resources, 139-40, 142, 147  
 'Dole' (See 'Unemployment insurance and assistance')  
  
 'ECONOMIC ACTIVITY', INCREASE IN, 45  
 Educative restraints, 90, 101  
 'Effective demand', 148-9  
 Empirical and logical criteria of idleness, 28-30  
 Employment exchanges, 60, 78  
 Enforced idleness, Ch. IX, and *passim*  
 Equality, 18, 78-81, 91-2, 123, 129-36, 188  
 Equality of participating rights under work-sharing, 114  
 Expectation of earnings, 74-8, 119, 121  
 'Expectation of return', 33, 147-9  
 Extermination of capacity, 105, 109  
 'Extravagances' of poor, 91-2  
  
 FELDMAN, H., 89  
 Firm, trade union regarded as, 134  
 Floating labour, 76-7  
 Frictional unemployment, 28, 141  
 'Full employment', 34-6, 48-9, 68, 163-5  
  
 GLUT AND GLUTTABILITY, 185  
 'Good employers', the, 124  
  
 HARROD, R. F., 25, 32-3, 149  
 Holidays, 82

## INDEX

- Hours of labour, 44, 82, 114, 135, 147  
 Household services, 52, 86  
 Hume, D., 42, 189
- IDEAL COLLUSION, 154  
 'Idling', 35-7  
 Immigrant workers, 79  
 Income from availability, 65-6  
 Indeterminacy of participating rights, 105-6,  
 114, 116, 154-8, 174-80  
 Indignation at wage-cuts, 95-6, 100  
 Indivisibilities, 67, 112, 163  
 'Inducement to work', 25, 149  
 'Industrial' unionism, 177  
 Inevitability of restrictionism in the labour  
 market, 167-9  
 'Inevitable delays' in changing occupations,  
 76, 78  
 Inflationary policies, 101, 167-9, 189  
 Investment in availability, 65-6  
 Investment in persons, 52-3, 58-60, 71  
 'Involuntary unemployment', 97-103, 165-9  
 Irrational choice or preference, 93-5, 101-3  
 Irrational preferred idleness, Ch. VI  
 Irrational withholding of capacity, 158-63,  
 165-9
- JONES, RICHARD, 38  
 Just output, the, 106
- KAFFIR WORK, 83  
 Kahn, R. F., 30  
 Kaldor, N., 171-2  
 Keynes, J. M., 15-17, 24-5, 31-5, 97-8,  
 147-9, 165-9  
 Keynes, J. N., 38  
 Knoop, D., 132, 145
- LABOUR RESERVES, 73-81, 90  
 Labour transference, 84  
 Laziness, 60, 83, 85-92  
 Leisure, 25, 49, 52, 59, 82-6, 88, 103, 152  
 'Level of employment', 32-3, 147-9  
 'Live and let live', 157  
 Lock-out, 176  
 'Loss of caste' through low-wage employ-  
 ment, 118  
 'Loyalty' in price maintenance, 107-9  
 'Loyalty' in wage-rate maintenance, 128
- MALTHUS, T. R., 25-6, 34, 38, 40  
 Marshall, A., 186  
 Means test, the, 131  
 Measurement of utilization or idleness,  
 impossibility of, 30-4  
 Medical profession, the, 120  
 Mercantilist speculations, 188-9  
 Mergers, 107, 175  
 Migration of communities, 55  
 Mill, J. S., 39  
 Mills, F. C., 135  
 Monetary theory, 151-3, 185-90  
 Money and money substitutes, quantity of,  
 151, 188-90  
 Monopolists' optimum output, 149-69,  
 174-5, 179  
 Monopoly, *passim*  
 Multiple shift device, 82
- NATIONAL MINIMUM OF SUBSISTENCE, 54,  
 123-4  
 'Natives' of South Africa, 83, 87  
 Natural monopoly, 125, 146, 163, 170-3  
 Natural resources falling valueless, 54-5  
 'Net advantageousness' of occupations  
 73-81, 88, 99, 119, 121
- ODIUM ATTACHING TO EMPLOYERS OF LOW-  
 PAID LABOUR, 123-5  
 Orthodox economics, 34-5, 41, 97-100  
 Output, impossibility of measurement of,  
 32-3, 43-4, 94  
 'Overcrowded' occupations, 122-6
- PARASITISM, 84  
 Participating idleness, Ch. VII, Ch. VIII,  
 and *passim*  
 Participating idleness in labour, Ch. VIII,  
 and *passim*  
 Participating 'idling', 121  
 Passive utilization, 57-60  
 Pensions, 124  
 Pigou, A. C., 15, 27, 29-30, 84  
 Policy-makers, 16-18, 29-30, 56, 86-7,  
 89-91, 94-5, 99, 101-3, 126-7, 136, 161,  
 168-9, 173  
 Poor whites, 83  
 Poverty, 78-81, 83, 85, 89, 91-2, 122, 130  
 Poyntz, J. S., 80, 118  
 Preferred idleness, Ch. V, Ch. VI, and  
*passim*  
 'Pressure groups', 189  
 Price discrimination (See 'Discriminatory  
 charges')  
 Price-fixation, *passim*  
 Price-rings (See 'Cartels')  
 Pride, 83  
 Priority of participating rights, 117-18  
 'Produced' and 'non-produced' resources,  
 24, 55  
 Professional stilettes, 120  
 'Propensity to consume', 44, 152  
 Prospecting for employment, 59-60  
 'Prosperity', 187-8, 190  
 'Proximate causes' of idleness, 29-30, 184  
 Pseudo diverted resources, 66  
 Pseudo-idleness, Ch. III, Ch. IV, and  
*passim*  
 Pseudo-idleness in labour, Ch. IV, and  
*passim*  
 Public utility control, 170, 173  
 Public works, 188  
 'Purchasing power' in general, 151-3, 185  
 'Pure' price depression, 150-3  
 'Purely' valueless resources, 45-8
- QUARRELS AMONG COLLUSIVE MONOPOLISTS,  
 107-9  
 Quotas, 105-7, 127-8, 181-2, and *passim*  
 Quota-hunting, 106-9, 181
- RANGE OF VALUABLE RESOURCES, 42-5,  
 48-50, 54-6, 189  
 Rare skills, 173  
 Rate of interest, 152  
 Real wage-rates, 95-103

## INDEX

- 'Reasonableness' as determinant of prices and participating rights, 106, 120, 155-8, 163, 174-5, 177-8, 182
- Recklessness of poor, 91-2
- Recruitment as diluting participating rights, 115
- Recuperation, 59, 82
- Reforms, Reformers (*See* 'Policy-makers')
- Resentment at capitalist exploitation, 100, 103
- Reserves of goods, 69-70, 173
- Reserves of labour, 73-81
- Restriction of entry, 115, 119-131, 140-5, 171-3
- Retirements and departures as eliminating participating idleness, 115-16
- 'Right to work', 114-18
- Robinson, J., 142
- Rogers, J. E. Thorold, 38
- Rowntree and Lasker, 89
- SCALE OF PRODUCTION ADVANTAGE, 170**
- School leaving age, 52-3, 58
- Scrap value, 45-8, 50-1, 54, 61-2, 65, 71, 181
- Seasonal idleness, 28
- Senior, N. W., 88
- Sharing of participating rights (*See* 'Dilution')
- Sharing of poverty, 136
- 'Short-time' (*See* 'Work-sharing')
- Sidgwick, H., 28, 39
- Slave economy, 53-4
- Slump idleness, 28
- Smith, Adam, 74-5, 89
- Soil erosion or exhaustion, 55
- Sop, to displaced workers, 131-6
- 'Spoiling the market', 159
- Stockbrokers, 119
- Stocks of goods for sale, 69-70, 173
- Strike idleness, 174-80
- Strike, nature of, 145, 176, 178-80
- 'Suitable employment', 27
- 'Sweated' industries, 80-1, 123-4
- 'TECHNICAL FACTOR', the, 67, 163
- Technological unemployment, 28, 141
- Temporarily valueless resources, 41, 47, 52, 55
- Trade cycle, 149-69, 187-90
- Teaching interests and entry to professions, 120-1
- Trade unions, *passim*
- Types of idleness, 28, 39
- UNCOMPLETED EQUIPMENT, 57**
- Unemployment insurance or assistance, 54, 60, 85-8, 91, 117, 127-8
- VAGRANCY, 87-8**
- Valueless resources, Ch. II, and *passim*
- WAGE-FIXATION, *passim***
- Waste, 30, 67-8, 112, 139-44, 146-7, 190
- Wastes of competition, the, 112
- Webb, Sidney, 133
- Webb and Freeman, 80
- Wicksteed, P. H., 93
- Withheld capacity, Ch. X, and *passim*
- Work-sharing, 44, 114-17, 121, 127-8, 134-6, 147

10147

*from the reviews of*  
**ECONOMISTS**  
**and the Public**

'Only rarely is any attitude formulated with the profound and majestic momentum of a *magnum opus*. Still more rarely does the appearance of a book on social thought cause us to take stock of our intellectual heritage. Professor Hutt has succeeded in this handsome volume, in presenting the attitude of liberal economic orthodoxy in what can only be described as the grand manner. There can be no doubt that this book will remain on our shelves among the handful of others in which our traditions of sociological thinking are gravely inscribed.'

THE NEW STATESMAN

'On very rare occasions a book appears which the critics recognize as one which "needed writing". It fills some gap, points some moral, elucidates some mystery — it is, in fact, an overdue addition to the literature of its particular subject. Mr. Hutt's book is in this category. The reviewer's task on reading such a book is a somewhat difficult one. He has probably exhausted his stock of superlatives and may have already designated some other work as "the most important book of the year."

'In the case of this particular book I will content myself by saying that if some philanthropist could be found to purchase a copy of this book, as a present for every politician and "big business" man in the country, the result might well mark a milestone in the progress of economic thought.'

THE FINANCIAL NEWS

'An argument convincingly sustained for nearly four hundred pages reads as easily as an Intelligent Guide. An incentive to thinking about the fundamentals. It deserves attention.'

THE CRITERION

'This is a book which everyone whose present unhappy lot is to be called an economist should read and ponder over again and again. Professor Hutt may look to the future for his reward in a far wider acquiescence in his teaching than it seems likely that it will receive in the present. Meanwhile he is to be complimented on his intellectual achievement and on his courage in writing this book.'

ECONOMICA

'Vigorous and provocative book. The path of the world is not Professor Hutt's but he is a courageous man and his positive contributions deserve a wide public.'

SOUTH AFRICAN JOURNAL OF ECONOMICS

'This book might have been entitled "An Economist Hits Back".'