

PRINCIPLES OF
POLITICAL ECONOMY

BY

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SECOND AMERICAN EDITION

ENTIRELY RE-TRANSLATED FROM THE LATEST FRENCH ORIGINAL
AND ADAPTED TO THE USE OF AMERICAN STUDENTS

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TRANSLATOR'S PREFACE

THE fact that Professor Gide's "Principes d'Économie Politique" has gone through eight editions in the original French and been translated into the Russian, Swedish, Polish, Dutch, Finnish, Spanish, and Bohemian languages, furnishes presumptive evidence of its usefulness. The first English translation, published in 1889, has been very widely used in England and America as a college text-book, despite numerous features of this translation which placed it at a disadvantage when compared with other text-books designed to supply practically the same need. These features have been pointed out from time to time by benevolent critics; but the continued extensive use of the book with classes in political economy led the publishers to conclude that a new edition, without the objectionable features, and adapted more closely to the needs of American college classes in economics, would find an even wider acceptance than the first English translation.

The successive French editions of the work have undergone numerous and important changes, — changes not so much in the general scope and spirit of the book as in the manner of presenting certain sections of the subject. The fundamental purpose has remained precisely the same: to give the reader a plain statement of the accepted principles of economics, a summary of the unsettled problems of the science, and a clear, brief, and impartial outline of the various solutions that have been proposed.

The book as now issued, however, is not a mere translation of the eighth edition of the original, published some months ago. In some respects it is more, and in others less.

I have, in the first place, eliminated all distinctively French illustrative material which could add little or nothing to the value of the book in the hands of American readers. For this French material I have substituted data from American sources; and in so doing I have endeavored to quote the latest and most reliable authorities. The volume contains a vast amount of statistical and other illustrative material which, I trust, will give the book a vitality, a closeness to real industrial life, and a smack of American "up-to-date-ness" which ought not to be objectionable, but which is unfortunately so rare in economic text-books. I see no sound reason why political economy should be regarded — as it undoubtedly is regarded by a large number of students — as a recondite study dealing with all manner of uninteresting theoretical minutiae. No subject is, as a matter of fact, more intensely practical. The undue emphasis on purely doctrinal matters, unaccompanied by any appeal to the facts of economic experience or history, and with apparently no regard for the problems that are now demanding a solution, cannot improve the reputation of political economy. It is to be hoped, therefore, that the present accumulation of illustrative material will counteract this tendency. Although Professor Gide himself gives an abundance of statistical and historical data, I have gone even further in this direction. In the discussion of protective tariffs I have given a history of our own tariff legislation; in connection with the discussion of metallic money and of paper money I have outlined our own instructive monetary experiments; and in the treatment of the prob-

lems of bank organization I have sketched the history of banking in the United States.

In the second place, I have suppressed a few notes of interest only to the French reader, and I have entirely omitted the appendix on French finance. This appendix appears to have been little used in the previous English edition, and certainly is of no more value to the American student than a sketch of German or English public finance. There was really no valid reason for its retention in the present edition. It would, to be sure, have been possible and perhaps even desirable from some points of view to substitute a sketch of American public finance. There are, however, several excellent small text-books which cover this subject much more satisfactorily than the twenty-five or thirty pages of an appendix.

In the third place, some of the sections on Distribution and on Consumption seemed hardly abreast of American investigations in these exceptionally important domains of economic science, and I have therefore taken the liberty here and there to add whole paragraphs and pages. This added matter, however, is purely expository and supplementary, and is in no wise discordant with the avowed purpose of Professor Gide's book. For he has assured me personally and declared repeatedly, that his primary object is to give the student an idea of *all* the solutions which have been proposed for mooted problems; and certainly the work of American, English, and Austrian economists in the field of distribution is entitled to as much consideration as the exploded doctrines of the older schools.

Except for these changes, I have tried to adhere closely to the thought of the author. Wherever it has seemed necessary to choose between good English style and fidelity in

rendering the thought or attitude of the original, I have not hesitated to sacrifice the former to the latter. Some of the peculiarities of style are due to this; for the others I must bear the blame.

It would be ungrateful not to acknowledge the assistance rendered in the preparation of this book by Dr. Alvin S. Johnson, of Columbia University, who offered many suggestions with regard both to the contents and the style, and by Mr. William T. Foster, of Harvard University, for carefully reading the greater part of the proof and pointing out innumerable possibilities of improvement in English. I am also greatly indebted to Professor Gide himself for the keen and constant interest he has shown in the present translation.

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FROM THE AUTHOR'S PREFACE TO THE EIGHTH EDITION

THE first edition of this book was published twenty years ago. During this period—*grande mortalis ævi spatium*—the progress of sociological thought has been so rapid that opinions which were then held to be revolutionary now incur the danger of being regarded as commonplace. The small school—then in its infancy—which I named the “school of solidarity,” and which adopted a line of thought between “liberalism,” on the one hand, and “collectivism,” on the other, has grown to eminence; what was then a small, unfrequented path is now a highway traversed by the masses.

Nevertheless, I am well aware that economists of the classical school regard this book as deplorably uncertain on the old principles; economists of the new deductive school find that it is weak in pure theory and fails disastrously to distinguish the art of economics from the science; and economists of the historical school consider it insufficiently concrete and too closely attached to the old classifications devised by J. B. Say. I believe that all of them are right,—especially as the title “Principles” is badly chosen and leads one to expect what the book does not contain; if it were not old already, I should change the title, and if ever I find the time I shall recast the book entirely. But as an excuse I plead that it was not my

intention merely to prepare a book for students. What I have endeavored to do is to give a general description, rather than an analysis, of the economic world — of the vast domain in which we live and move without knowing very well whither we are going. I have sought to arouse curiosity and interest in economic problems rather than always to furnish cut-and-dried solutions. I have tried not so much to convey absolute conviction based on scientific laws that are still imperfectly understood, as to impart a sincere and fervid desire to discover the truth. I have, moreover, tried to make political economy, which in France has long borne (without much protestation) the name of tedious literature, appear to the beginner as an attractive and captivating subject. I know from personal testimony that among the readers of various nationalities who have studied political economy in these pages, there are at least a few who have found the science interesting, who have learned to love it, and who will continue to be devoted to it.

CHARLES GIDE.

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