JOSEPH SHIELD NICHOLSON

1850–1927

JOSEPH SHIELD NICHOLSON was born at Wrawby, Lincolnshire, on the 9th November, 1850. His father, the Rev. T. Nicholson, came from a family settled in Cumberland and entered the Independent Ministry at an early age. He was not only a keen student but also a great nature lover, both characteristics having descended in full measure to his son.

Nicholson had a very happy childhood, his earliest memories being of a large garden and orchard in which he played at Wroxton (near Banbury) to which the family moved in 1853. When six years of age he was sent to a preparatory school at Banbury and in 1863 to the Congregational School at Lewisham, Kent, which was afterwards removed to Caterham. One of his schoolfellows, the Rev. Mr. Oakley, tells of the impression made by Nicholson's abilities on his teachers and schoolmates. Though advanced for his age in mathematics, he had not then begun languages, yet such was his progress that the Head Master (Rev. Thomas Rudd) often told how before he left school he was able to translate a Greek play at sight, an achievement which was compared to that of De Quincey.

In 1865–6 Nicholson attended the classes in Junior Mathematics, Classics, and Chemistry, at King's College, London, which were followed by the senior classes in the first two subjects in the following session. In January, 1867, he matriculated at London University, being placed sixth in the Honours division and winning the third prize. Midway in his course, at the age of seventeen, he went for an extended tour on the Continent with a friend. Beginning at Paris, the students made their way through Bordeaux, Toulouse, and Marseilles to Nice, whence they walked to S. Remo, thence by coach to Genoa, and later by rail to Pisa and Rome. The vivid impression of this journey was

reproduced more than twenty years later in a passage in *A Dreamer of Dreams*. At Paestum the youthful travellers were given a guard of two mounted soldiers to protect them from banditti. From Rome the journey was continued to Venice, thence to Switzerland and, through the valley of the Rhine, on to Brussels, where Nicholson remained for some time in order to improve his colloquial French. He spoke of this expedition as ' the finest tour in the world —first to revel in works of art and then in natural beauty '. All through his life Nicholson became completely absorbed in the occupation of the moment. A description of these early student days records that ' one thing was very noticeable when he studied, he really did study (often eight hours a day), but he also threw himself heart and soul into other pursuits, fishing, boating, walking, swimming, skating. He was also devoted to chess and to music. He rarely missed any of the best operas, hearing all the great singers of the time as one of the highly cultured but critical audience to be found in the gallery '. ' The fulness of life ', in his own phrase, was realized completely and hence not to the neglect of his studies, for in 1870 he was placed fourth of the candidates who obtained Honours in Logic and Moral Philosophy at the B.A. degree examination. Next he went to Edinburgh in 1872, where he obtained first Prize and Medal in the Second Mathematical Class as well as a Prize in the Humanity Class. Of the teachers at Edinburgh, he was most impressed by Kelland, the Professor of Mathematics.

In 1873 Nicholson entered Trinity College, Cambridge, and began to read Mathematics, but in his second year he turned to Moral Philosophy. In 1876 he was elected a Foundation Scholar and graduated the same year with a First Class, being placed second. In the following year he was awarded the Cambridge Cobden Club Prize for an essay on ' The Effects of Machinery on Wages ' which was published in 1878. In 1877 on passing for his M.A. Degree at London, he was first and was awarded the Gerstenberg

Prize for special distinction in Political Economy. In 1880 he was bracketed for the Cobden Prize—the subject being ' The Effects of Industrial Progress on the rate of Interest, considered historically and practically '.

A mind as receptive as that of Nicholson absorbed the spirit of Cambridge:

> 'The life of an old English University ', he wrote, ' is in many aspects truly mediaeval, and the time-stained Colleges form a most fitting framework. The spirit of the tournament lingers in the boat-race, the ghost of monasticism nightly haunts the cloisters and the chapel bell bids the novice begin the day with prayer. Willing generous homage is paid to bodily strength and manly courage, and to the subtle power of intellect. Friendships are made full of faith and passion. Feasts are spread with exuberant gaiety and wild mirth. There is vying for honours and scorn of baseness and the fire of chivalry burns in many a heart.' [1]

Outside his studies he entered fully into athletics. He belonged to the 2nd Trinity Boat Club and spent much time in sculling, often with Jack Harvey, the famous coach, who was not only probably the best judge of rowing in his day, but one of the greatest characters who have flourished at either Oxford or Cambridge. Nicholson and Harvey covered great distances in the Fens ' which, with their large hazy landscapes, and dull sluggish rivers, are not only the embodiment of tranquillity, but to those who have found the key of the mystery, they are full of strange beauties and fantastical images '.[2] A passion for the open sea remained with him through life. In his undergraduate days a severe injury to his elbow through a fall from a high bicycle incapacitated him for a time. He hired a sailing boat and spent many weeks sailing off the coast of Devon and Cornwall—just as he had done earlier near Naples. Chess, too, still had a fascination for him. In 1874 he played for Cambridge against Oxford. He had a medal commemorating his victory in this match. Strongest of all the influences of his early manhood, and one that remained with

[1] *A Dreamer of Dreams*, 1889, p. 4. [2] *Ibid.*, p. 5.

him always, was his love of the Highlands. There at Durness, near Cape Wrath, he had the sea, excellent fishing and scenery of rugged grandeur, also a population the secrets of whose folk-lore were unlocked to him as he gradually acquired a knowledge of Gaelic. From 1873, for very many years, he went to the North and found refreshment and stimulus from the surge of the Pentland Firth, from the streams, the lochs, and the heather. Above all, the sea in its wildness called to him—its freedom, its changing moods, its invincibility were to his nature at once a delight, a consolation, and a challenge, and a challenge of course, if worthy, must be accepted, and on equal terms. Accordingly in a canoe (14 feet long, 14 inches wide, and 2½ feet deep), accompanied by another man, he went round Cape Wrath from Rispond at the mouth of Loch Eriboll to the point on the West coast opposite the Minch. They were sighted on their perilous journey by some fishing boats from Stornoway. The fishermen shouted to them in Gaelic, but made no attempt to rescue them, being convinced (*oh, crowning joy!*) that they were uncanny things. But one such adventure is, as of old, only the prelude to another. The subterranean lake of Smowe cave had never been explored by man, and retained a corresponding dominion in the superstitions of the district. This lake he decided must be made to yield its secrets. A thrilling description of the cave by Sir Walter Scott is given in Lockhart's *Life*. At considerable risk, Scott, accompanied by friends, penetrated as far as the entrance to the subterranean lake, but his explorations stopped there. Scott says:

> 'Growing more familiar with the horrors of this den, we sounded with an oar and found about ten feet depth at the entrance, but discovered in the same manner that the gulf descended under the rock, deepening as it went God knows how far. Imagination can figure few deaths more horrible than to be sucked under these rocks into some unfathomable abyss where your corpse would never be found to give intimation of your fate.'

Into the icy water of this 'horrible ugly gulf' accompanied

by one Hugh Mackay, a gold digger who had travelled far and who was steeped in the folk-lore and superstitions of the district, Nicholson swam on a voyage of exploration with candles in tubs. This was a great experience at the time for the whole district, and small wonder it is that an old woman over ninety, ' learned in such things, made him a charm so that no ill might befall him '.[1] Over the mantelpiece in Nicholson's study in later years there hung a large photograph of Cape Wrath, with its suggestion of a human face in stone, perhaps partly as an antagonist who had been overcome, perhaps too as an old familiar friend very dear to his memory.

The years from 1876 (when Nicholson took his degree at Cambridge) till 1880, when he moved to Edinburgh, were packed with many activities. Besides rowing, expeditions to the Highlands, and chess, he found time to attend lectures, chiefly in law, at Heidelberg (whither he went with J. G. Frazer)—a vivid recollection of which was the contrast between the methods of two Professors, the words of one coming exceedingly slowly like a minute gun, while the speech of the other flowed like a torrent, beginning as he entered the lecture-hall and continuing even as he closed the door on leaving it. Nicholson settled down to work as a private tutor at Cambridge, taking students in Political Economy, History, especially Economic History, Constitutional History and Political Philosophy. It is on record that in 1880 he ' was doing an amount of work which would have utterly prostrated many men, and doing it without any shirking or inefficiency '. He had also enhanced his reputation by his contributions to a small debating club composed of lecturers in Philosophy and History, of which H. S. Foxwell and James Ward were members. His Cobden Club Prize Essay on ' the Effects of Machinery on Wages ' was published in 1878, and he had the manuscript of a romance, entitled *Thoth*, which, after extensive revision, was published anonymously in 1888. Though this book was

[1] *University of Edinburgh Journal*, Autumn number, 1927, p. 14.

compared by the critics with the writings of Rider Haggard, its greatest significance lies in the stage it marked in Nicholson's own mental progress, representing a reaction from the claims of one-sided intellectual development, and it may be imagined that it records artistically his transference from Philosophy to Political Economy.

In the autumn of 1880 the Chair of Political Economy and Mercantile Law at Edinburgh was vacant and Nicholson was elected before his thirtieth birthday. He was Professor there for the long period of forty-five years. During the earlier years of the tenure of this Chair his lectures were few, averaging probably not more than one a day during the winter. They consisted of short courses on Political Economy, Economic History and Mercantile Law. In his inaugural lecture on 'Political Economy as a Branch of Education' he insisted on the value of the mathematical method to give precision to the form of the subject while he sought the matter in experience, assigning an important place to economic history as the only available means 'of seeing the full value and import of existing institutions'. These ideas determined the method of his teaching. As his department began to extend, ten years after his appointment (when Political Economy was admitted into the curriculum for Arts and an Honours School was established), he had a booklet prepared for the use of his students which contained the chief mathematical constructions which were explained in tutorial classes, leaving the lecture hour free for a comprehensive treatment of the subject. He soon made his mark with his colleagues in Edinburgh, and in the Edinburgh Tercentenary Album (*Quasi Cursores*) of 1884 it was said of him, 'accurate in his own work and endued with that patience which possesses the souls of good fishermen and careful students, he may yet be moved to a most divine indignation against charlatanism and "slipshoddiness" of every kind; all the more on this account he is one on whom his friends can thoroughly rely in all relations of life, but especially as a man who has never been known to trump

his partner's card '. One of Nicholson's characteristics was that he ran true to form, and the full force of his ' divine indignation against charlatanism ' was realized in a way that could not have been dreamt of in 1884 when, more than thirty years later, he wrote in biting terms of some of the aberrations of currency manipulation during the war period.

Work, both in teaching and organizing, increased with the expansion of economic and allied subjects. At first his class numbered twenty-five to thirty, while just after the war the ordinary class, then one of a number, had increased to 340. Mercantile Law was separated from Political Economy, when a lecturer in the former subject was appointed. In addition to the original Chair, at the date of Nicholson's resignation in 1925, there were three Lectureships in Economics, lectureships in Economic History, in Mathematical Economics with Statistics, and a readership in Political Science. In the Department of Commerce, which was established largely by Nicholson's enthusiastic zeal, there were professorships of Accounting and of Organization of Industry.

When Nicholson came to Edinburgh in 1880 he found a very charming house in Jordan Lane which had been beautifully decorated for Sam Bough, the artist. In 1884, he met at Bonaly, Jeanie, the elder daughter of Dr. Hodgson, his predecessor in the Chair. A strong attachment immediately sprang up between them, and a year later married life was begun in the house at Jordan Lane. In his marriage Nicholson ' knew the inmost reality of life ' [1] and in the great and increasing happiness it brought to him lies the explanation of that sustained high effort and nervous strength which characterized his life unto the end.

The conditions of life at Edinburgh were as nearly as possible ideal for a man of Nicholson's temperament. He had congenial society in his colleagues at the University and the many friends who came to stay with him, work which he loved, and the long spring and summer when he

[1] *A Dreamer of Dreams*, p. 250.

was able to move to the Highlands or the country, fish, row, or sail in the day-time and write far into the night. During the university session he was able to enjoy his favourite sport during occasional week-ends through his membership of the famous fishing club at the Nest, Clovenfords, on the Tweed, which was immediately opposite Ashestiel where Sir Walter Scott lived before he built Abbotsford, or in the earlier part of the year at Thriepmuir, a fine stretch of water at the foot of the Pentlands. Soon after his marriage he spent a summer at Durness near Cape Wrath, and Mrs. Nicholson has drawn a picture of the first time she saw him returning from fishing. 'He was dressed in the rough homespun suit that he wore up there, made from the wool of the sheep and spun and woven in the cottages and dyed with the yellow croton off the walls (and a lovely shade it was). He was carrying seven salmon slung around him by string, wherever they could be fastened on. He carried his own rod and gaff—and as for a ghillie there was none—and the smile on his face made a radiance like the sun'. In 1889 he spent the summer at Achnacarron on Loch Awe and fished the river Awe. Besides preparing his speech for the unveiling of the bust of Adam Smith in the Wallace monument at Stirling, he wrote an article on Agricultural Communities for the *Dictionary of Political Economy* as well as part of his romance *Toxar* while at Achnacarron.

The following year he was at Craiguie for trout fishing on Loch Doine and Loch Voil. His diary shows the transition from the pressure of work to the relaxation he always found in the Highlands. Feb. 16th he sat up till 3 a.m. and finished *Toxar*, on March 15 the scheme of Arts reform in the University was carried and he reviewed J. G. Frazer's *Golden Bough* for *The Scotsman*, this being the first review to appear. May 16th he went to Craiguie and records good catches of trout. The first fortnight of June was occupied with examining at Cambridge, then on the 17th he had forty-five trout on Loch Doine, next examining at

London and, when dining at the Authors' Society, he decided to avow the authorship of his novels, the authorship of *Thoth* being announced in *The Scotsman* of July 11th. In 1903 it was necessary for him to undergo an operation on one of his eyes which involved but a short interruption of his activities. On June 5th he finished the MS. of his *Elements of Political Economy*. The operation took place on the 18th. By August 4th he was at Erracht, beyond Banavie about 14 miles from Fort William, which was the house of Cameron of Erracht who raised the Cameron Highlanders in 1745, where again he had good catches. On October 13th he gave his opening lecture of the Session on 'The Fiscal Question' and spent the week-ends at the Nest, Clovenfords, returning with salmon usually weighing 20 lb. and sometimes 40 lb.

The first ten years of his professorship resulted in overstrain and he found relief in a long sea voyage, begun in the autumn of 1890, to the Mediterranean and the Black Sea. He had as travelling companions William Black, the novelist, and Sir Morell Mackenzie, the throat specialist, with whom he played chess. Again in 1894, after an attack of influenza, he went on a cruise round Africa and on to Bombay. He regretted that he was unable to visit Johannesburg, then in the midst of the mining boom, which he had heard of 'as a wild place abounding in luxury where people make fortunes in no time'. Amongst other interests he studied navigation with the Captain and in an unpublished sketch he tells of his visit to the engine-room when the ship was near the Equator.

'The heat became unendurable; in the language of the scientists it was 138 degrees Fahrenheit, in that of the sea and of Dante it was Hell. The engine room was only the outermost circle of the Inferno. My companions opened an iron door to reach the stokehole but we were at once driven back (even the Chief and his second) by a volley of flames and heated ashes. Thrice we essayed in vain to enter and only on the fourth attempt we succeeded. . . . Then suddenly came a lull in the storm and an amazing change. I saw the Chief disappear through a hole in the side. With less

speed and more hurt (a knock on the head) I followed, the second coming last to close the door. We had now entered the tunnel in which the shaft of the screw revolves, and after the horror of the stokehole the tunnel seemed cold and silent as the grave. There was nothing to see but a steel cylinder about a foot in thickness and yet it exercised a fearful fascination. With dumb, resistless, monotonous obstinacy it turned and turned as slowly as one of the mills of God—with the perfect simplicity of a fateful motion. I touched it as fearfully as if it were a sleeping snake. "And this", said I to the Chief, "is the outcome of all the hellishness of your furnaces and the clanking and whirring of your unintelligible machinery." "Yes," said he, "that is all—the shaft drives the screw and the screw drives the ship." '[1]

Writing from Bombay in May he said:

'The climate here is a ridiculous fraud. There is a fine cool breeze from the sea and the sun is delightful. We were told that we should be here at the very worst time of the year, just before the bursting of the monsoon. The thermometer is 85° to 90° (90° as I write just after breakfast) but the effect is, as I say, simply pleasant. I suppose we are particularly fortunate. My recollection is that we had it much hotter in Dornoch! and occasionally in Durness!'

The fullness of Nicholson's life was highly significant both in his work and in his mental development. His whole life forces the conviction that the man whose sole interest is Economics will never be an economist of distinction. Nicholson had the essential quality of wide interests—literature, especially that of Italy, a keen love of Nature in all its moods, a delight in travel, from which perhaps came the only collection he ever formed, namely one of idols,—love of music and art. He was all his life a keen chess player and in his later years he amused himself in solving the problems in *The Times Literary Supplement* besides composing new problems. In his youth a fine oar, he did much rowing and sailing. Later he took to cycling and golf, while angling remained something of a passion to him all through life.

The Times said of Nicholson that 'he was so prolific a

[1] MS. 'Two Scenes from a Tropical Voyage'.

writer that he might have repeated the boast of the Marquis de Mirabeau, " If my hand had been of bronze it would long since have been worn out" '. Year after year for almost half a century there came from his pen studies on economic and literary subjects marked not only by their profusion but still more by lucidity of thought and grace of style. The magnitude of Nicholson's work makes it difficult to grasp as a whole; yet, since large natures are essentially simple, one feels that there must be a unity. It is easy to divide the writings which deal wholly or mainly with economic subjects into two groups, the one leading into the other, namely books whose theme is the exposition of economic theory and also those which discuss the applications of that theory to current problems. Yet there remains a third group, consisting of five important volumes, which seems to defy classification. It consists of three romances, *Tales from Ariosto* and *The Life and Genius of Ariosto*. Chronological sequence makes the position at first sight appear even more puzzling. The romances appeared from 1888 to 1890 at a time when Nicholson was writing essays on currency questions, and the books of Ariosto followed his *Project of Empire* (1909) and *The Economics of Imperialism* (1910). It may be said that he required a relief from the close and detailed study which some of these investigations involved, yet the true explanation lies deeper than that. In one of his note-books there is a passage which explains his own view of an inner need. 'In my youth I had been devoted to the poetry of the Greeks, so that its thoughts had become my thoughts. Far more than any poetry, however, I had always loved Nature, its first parent. And favoured with robust health, I had gloried in the hardships that a man must bear who would speak with Nature face to face; and I had rested in Nature and been enchanted and dreamed dreams and awakened again to the joys of toil and endurance.' And his dreams were given a setting as to his first tale and his third in the culture of Athens, in the time of Pericles. The three books are marked by a rare distinction of style, and they represent

the artistic expression of ultimate questionings of the spirit. *Thoth*, named with reference to the Egyptian god of knowledge, expresses doubts as to the progress of scientific discovery if (as in the tale) its successes are won at the expense of the emotions and the aesthetic perceptions. With a wealth of imagery and at the same time a simple directness which made the book, in Sir Morell Mackenzie's phrase, ' a prose poem ', the design of creating a new race of men, who would be endowed with the discoveries won through many centuries, is gradually unfolded, revealing with increasing horror the means by which love, family affection, and piety [1] were ruthlessly suppressed. The success of *Thoth* —it passed through three editions in this country, was translated into German and reprinted in the Tauchnitz edition, besides being issued in the United States—encouraged Nicholson to proceed. The theme of the other two volumes was the tragedy of all desire being completely fulfilled,—*A Dreamer of Dreams* being in modern, *Toxar* in ancient conditions. *Toxar* was published in 1890, the two books on Ariosto in 1913 and 1914. The link between them is to be found in ' the reaction against realism in favour of romance, and the father of modern romance is Ariosto '.[2] Nicholson had a great veneration for the memory of Adam Smith and one can imagine that he felt the encouragement of the master in this enterprise through he, too, having written on Italian poetry.[3]

Nicholson's works of imagination had highly important reactions upon the characteristics of his other writings. The part of his nature which found expression in them and the way it found expression gave a character to his economic work which it could not have otherwise acquired. It is not only that his style is clear and limpid, but it has also force

[1] ' The immortal gods ', said Thoth, ' are but the vague memories of great men, distorted in passing from generation to generation.'

[2] *Life and Genius of Ariosto*, p. 120.

[3] Adam Smith, *Of the Affinity between certain English and Italian Verses*, in his *Essays*.

and point. He is never at a loss for an apt illustration or for a happy allusion. The way of abstract thought is necessarily steep and toilsome, but he knew how to charm his readers with flowers on the way and he lessened the strain by comparisons and even jests culled from the literature of many lands. When it was necessary to correct what he held to be error, the same qualities added pungency to his criticisms.

Nicholson had a deep veneration for Adam Smith and so it was fitting that the first book, in which he dealt with the exposition of economic theory, should have been an edition of *The Wealth of Nations*, which appeared in 1884 and was designed partly to remove the reproach that ' this was one of those books much talked of and little read ' and partly to direct attention to opinions of the author which most modern economists have either passed over in silence or noted only to express their disagreement. In 1888 there came the first edition of *A Treatise on Money*. In 1891 and 1892 he wrote in *The Economic Journal* on ' The Living Capital of the United Kingdom ' and on ' The Relative Strength of Labour and Capital '. In 1893 he chose as the subject of his Presidential address to the Economic and Statistics Section of the British Association ' The Reaction in favour of the Classical Political Economy ', the general tenor of which was that ' the dogmatic slumber (of the traditional British Political Economy), induced by popular approval, has been rudely shattered, and although some of the more timid followers of the orthodox camp thought they had been killed when they were only frightened and awakened, the central positions are more secure than before '—an estimate which has had to face many unexpected conditions in the next generation. Certainly Nicholson dealt faithfully with aberrations from the Classical School, as for instance when he described the excursions J. S. Mill made into social philosophy as an ideal of Economics ' with breadth without depth ' or when he says of Jevons that ' he was not a mathematician of the first rank; he struggles

with the differential calculus as a good man struggles with adversity '.

From 1890 to 1901 Nicholson was engaged on his most massive work, *The Principles of Political Economy*. The first volume appeared in 1893, the second in 1897, and the third in 1901. Through a protracted illness in middle life Marshall was unable to complete his *Principles* on the grand scale which he had originally planned, and Nicholson's book remains as the representative British treatise of his generation which aims at covering the whole field in the large and systematic manner of the economists of the nineteenth century. His training, grace of style, wide knowledge, and extensive studies, both of the economic literature of this and foreign countries, admirably qualified him to provide a treatise worthy of the country and the age. This is all the more necessary since it may be that Nicholson's *Principles* will stand as a landmark in an epoch of economic study, and so, it is fitting that, by a return to the Adam Smith tradition, it aims at gathering together the whole progress of British economic study, and records the result in a style which is both clear and graceful.

The Adam Smith tradition showed itself also in a treatment of the subject which was both comprehensive and human. Nicholson was true to the declaration he made in his inaugural lecture of finding the explanation of facts by considering them in the light of their development. Thus he illumined the treatment of the rent of land by a survey of the economic implications of the feudal system and by an analysis of village communities, and the problem of poverty by a survey of the development of the Poor Law. There are also sections on the history of the organization of Labour, economic Utopias, the development of foreign trade, Chartered Companies and Scottish banking. His third volume opened a new and most fascinating field in the effort to estimate economic progress. This, even more than the previous volumes, was the severest test of Nicholson's skill. The inquiry was inevitably statistical, but there

could be none more beset with pitfalls. It is true that the material had been collected by others, but to unfold the vast panorama of the economic development of Europe in the midst of political and social change, corrected in relation to fluctuations in the level of prices, required remarkable judgement. Still a treatment of the subject might have had the supreme merit of being eminently judicial and yet have been exceedingly dull. It was Nicholson's great triumph that so far from being pedestrian in an eminently statistical inquiry, he succeeded in lending a charm and a dignity to it. Further, as one whose province once included a branch of Law, he discusses the interaction of juristic and economic conceptions to a greater extent than had been the custom of other British writers on Economics. Thus he treats of contract and prescription in connexion with the idea of Wealth, of the law of bequest and inheritance,[1] and of slavery, Serfdom and *Patria Potestas*.

The wide scope of the inquiry was not at the expense of any of the essentials of the subject. These were developed on the basis of the work of Adam Smith and the Classical School with the addition of the chief contributions to the study during the succeeding fifty years. Like every writer Nicholson had to form his own judgement as to which out of a great number of suggested improvements or new discoveries were to be accepted as being established. Here on the whole he was conservative. Thus he limited the practical applicability of the conception of Consumer's Rent very severely, and the issue, as between him and Marshall, was discussed at considerable length in the relative places in the *Principles* of both. Despite differences of opinion on certain points, such as the influence of silver prices on gold prices, Consumer's Surplus and Quasi rent, Marshall wrote of ' the joy with which he contemplated that *very*

[1] This, published in 1893, seemed to show an anticipation of future events as, for instance, the recent attention paid to the Rignano scheme in relation to inheritance.

large part of the field of economics in which you are unsurpassed and have well earned everlasting fame '.

Besides the comprehensiveness, the lucidity of thought, and the exceeding charm of style of the *Principles*, it had another characteristic—that was its elevation of purpose. Like *The Wealth of Nations* it not only shows a sympathetic understanding of the race of ever-toiling men, but also high moral ideals.

> ' With every thought and every phrase ', he wrote in the last chapter, ' I find myself in touch with deep feelings and keen intellectual controversies; and although certain great central ideas seem to stand out all the more clearly, I am forced to admit that with other minds it may be different. . . . At the same time, also, the present dogmatic statement of these great central ideas ought to get rid of the misunderstanding, so far at least as the present writer is concerned, that the study of Political Economy leads to intellectual agnosticism and to moral pessimism. On the contrary the economist is forced to begin his creed with the expression of belief in the unity of truth and in the reality of the moral law: *Credo in unum Deum.*'

It was passages such as these, in addition to the tone of the whole book, which evidently led Marshall to say, ' I am delighted by your courageous and healthy idealism and by the way in which you warm the blood '.

A shorter text-book, summarizing the main argument of the *Principles* under the title of *Elements of Political Economy*, appeared in 1903. This was followed by the publication of a set of lectures on *Public Finance* (1906) which developed the corresponding chapters in the *Principles* on topics connected with local government. In connexion with the visit of the British Association to Edinburgh in 1921, he wrote an account of ' Political Economy in Scotland '.

Outside Nicholson's work on economic theory he devoted himself to applying that theory to the problems of his time. Thus his activities in this direction supply a well-informed commentary and criticism upon the questions which were prominent in men's minds over a period of close on fifty years. Soon after his appointment at Edinburgh, the land

question had aroused much interest and Nicholson criticized the *Report on the Condition of the Crofters and Cottars in the Highlands and Islands of Scotland* (the Napier Commission) in a series of articles in *The Scotsman*. Connected with other aspects of agriculture was his book on *Tenant's Gain not Landlord's Loss* (1883). From 1886 to 1893 he was deeply engaged with currency problems in relation to the bimetallic controversy. In addition to *The Silver Question*, issued in 1886, he gave a number of lectures on various aspects of this subject, such as 'Effects of great discoveries of the Precious Metals', 'Bimetallism', 'Morality of Bimetallism', 'Stability of the Fixed Ratio under International Bimetallism', 'Giffen's Attack on Bimetallists', 'Rothschild's Proposal to the Monetary Conference', 'The Missing Link between Gold and Silver', 'Measurement of Variations in the Value of the Monetary Standard', 'The Indian Currency Experiment', and 'The Effects of the Depreciation of Silver'. Most of these lectures were printed with his *Treatise on Money*, the later ones being added in subsequent editions.

He was the first economist to give one of the evening discourses at the meeting of the British Association which was delivered in the Sheldonian Theatre at Oxford in 1894. He chose as his subject *Historical Progress and Ideal Socialism*, which was published in the same year. Even after the lapse of a generation some of the sentences have a curiously modern ring: 'Does socialism mean reform; or does it mean revolution? It cannot mean both. Do you propose in the style of a Robespierre to confiscate the land itself, or in the style of a John Bright to reform the land laws? You cannot at the same time wear on the same head the red cap of anarchy and the broad brim of the Quaker, though you may change your headgear according to your company.' The same year he addressed the British Economic Association on 'Political Economy and Journalism'. In 1896 he published an essay on *Strikes and Social Problems* which was followed in 1902 by another on *Bankers' Money*. Then came the Tariff Controversy to which he contributed *The Tariff*

Question with special reference to Wages and Employment (1903), and an article on 'The use and abuse of Authority in Economics' in *The Economic Journal*. The issues raised germinated in Nicholson's mind, and in 1909 and 1910 he published one of the most constructive ideas which emerged from this somewhat dreary discussion in the *Project of Empire* and his address to the Royal Economic Society in the *Economics of Imperialism*. The first constituted the detailed historical justification, founded on the 'golden dream' of Adam Smith, and the latter a re-statement of the position from the standpoint of modern requirements. The first of these was such a federated system as would permit the organization of defence as an Imperial concern involving a continuing central authority with a continuing revenue for this purpose and with power to determine policy in such questions as may involve the issue of peace or war. Next he urged Free Trade within the Empire and, as a related principle, the determination by the central authority of external commercial relations with other States. On this last point he faced the consequence that the scheme outlined might be expected to result in an Imperial tariff as against foreign countries. Though this marked a departure from Free Trade, Nicholson believed that there would be compensating advantages and claimed that in this view he could appeal to the authority of Adam Smith. At the same time he fully recognized that the scheme represented an ideal which should be gradually approached. The *Project of Empire* was one of the most successful of Nicholson's books dealing with controversial subjects. It was translated into Japanese and influenced the political thought of the late Lord Milner, John Buchan, and F. S. Oliver, and others. Between *The Tariff Question* and *A Project of Empire* there appeared *The History of the English Corn Laws* (1904), *Rates and Taxes as Affecting Agriculture* (1903), and *Rents, Wages and Profits in Agriculture and Rural Depopulation* (1906).

The war came as a trumpet call to Nicholson. He felt that he had a patriotic duty to discharge. The war work

for which he felt himself best fitted was on the one side to state the allied cause to Americans as he did in *The Neutrality of the United States in relation to the British and German Empires* (1915), and on the other to enlighten public opinion at home on the economic issues involved. As time was precious he chose the Press as his platform, and particularly *The Scotsman*, to which he contributed many articles extending over the whole course of the war. He also wrote on Inflation of the Currency and the Rise in Prices in the *Economic Journal*, on the Statistical Aspects of Inflation in the *Journal of the Royal Statistical Society*, on the inflation resulting from Law's System, Frederick List, Central Europe after the War, and Adam Smith on Public Debts, again in the *Economic Journal*; the Abandonment of the Gold Standard in the *Quarterly Review*, After the War—What? in *The New York Analyst*, Trade after the Napoleonic War in *The Scottish Historical Review*, and published a tract on *Inflation* (1919). Such of these writings as he selected for reprinting in his book on *War Finance* extended to 500 pages. He felt his responsibility very keenly. Always a careful writer, in this case he was particularly exacting, having re-written some of the articles five or six times, in order to attain the right balance between judicial fairness and practical emphasis. All through he was convinced that the struggle was one for a great moral ideal, and he pleaded and strove and sometimes stormed against measures which in any degree detracted from the spirit of devotion which a cause so great demanded and should inspire. In the maintenance of this ideal he often felt himself isolated amidst devices and expedients that seemed to him to be petty, if not mean. Against the eddies of changing popular opinion he stood firm and steadfast—

> Lascia dir le genti;
> Sta come torre fermo, che non crolla
> Giammai la cima per sofflar de' venti.

It can be fairly claimed that Nicholson was not of those who are wise after the event. The day before war was de-

clared, his first article stated that war would result in a great disturbance of prices. If Britain became involved, in certain circumstances a rise in prices was to be expected, as he then calculated, through increase in the cost of production and reduction in the volume of trade. A fortnight later (18 August, 1914) he had sensed what he later expressed more definitely that 'every one of importance in the country had forgotten all about the principles of currency'. This was one of the central themes of his articles. Another was the prodigality of public expenditure—'in war time every government is a spendthrift, and, according to experience, the British Government is the greatest of all spendthrifts'. He deplored the withering of the spirit of national devotion which he noticed after the early months of the war, and the replacement of the idea of sacrifice by that of a general scramble for the various bonuses in the forms of over-liberal terms to financial interests, to government contractors, to merchants, to manufacturers, and to labour—'all together the most astonishing fungus that ever afflicted a long-suffering nation in war-time'. He maintained that the fundamental moral position was that every one ought to expect, on the whole, to be worse off than during peace. Inflation of currency led to a species of moral inflation through which the fibre of the nation became loose and flabby and material needs were over-emphasized. 'We must realize', he wrote, 'that the wastes of war can only be made good by hard work and not by soft money.'

His aim was to counter 'the resurrection of old economic fallacies in the naked simplicity of new-born truths'. It was his high ideals and his underlying faith in the people which led to his scorn of everything that was less than the best. Thus he was far from a pessimist. Writing in 1916 he was confident that Britain would emerge from the war with the productive capacity of its extractive industries unimpaired while some gain in its immaterial energies might be expected. In 1917 he adapted a passage from *The Pilgrim's Progress* to this country in the years which would follow the war:

'The pilgrims found the right way very rough. They were tempted to go over a stile into By-path meadow. . . . They found it very easy to their feet. . . . But behold the night came on and it grew very dark. . . . And now it began to rain and thunder and lighten in a very dreadful manner and the waters rose amain. . . . " But we must not stand thus, let's try to get back again " (said Christian to Hopeful). By this time the waters were greatly risen by reason of which the way of going back was very dangerous. . . . They sleep in the grounds of Giant Despair. . . . He finds them in his grounds and carries them to Doubting Castle. But at last they got back to the King's Highway and went on till they came to the Delectable Mountains.'

After the excesses of war economics, the nations had to sojourn long in Doubting Castle. One aspect of this is treated in *The Revival of Marxism* (1923), which revival he regarded as due to the conviction of many people that the idealism of the War was only another great illusion; and that instead it is material interests, and not spiritual ideals, that shape the history of nations and classes. This book (which has been translated into Japanese) was not so much a criticism of Bolshevism and its roots in the teaching of Karl Marx, as an inquiry into the causes which have made such a revival possible, and it thus forms the natural sequel to many of the criticisms and anticipations in *War Finance*.

These labours were undertaken in a time of anxiety and suffering. The great grief of his life, the death in the war of his son, Geoffrey, was borne with quiet self-effacement, but the burden was heavy. The very gallant and self-sacrificing way in which the son met his death profoundly stirred the father's imagination and heart, but it deepened the agony of his loss. It is to the memory of his ' only and dearly beloved son ' that the book on *War Finance* is dedicated.

In the summer of 1925 on medical advice, as the result of an illness, he resigned his Chair as from the end of the session. His friends and former students presented him with his portrait. In handing it over in 1927, Lord Constable alluded to his own student days when Nicholson was con-

sidered the handsomest of the Professors of that time. He was able to maintain his interest in his favourite studies up to the end, which came on 12 May, 1927, for in the last week of his life he was considering an application which he had received for the separate publication of the last chapter of his *Principles* (to which allusion has already been made) and which might perhaps be called the Economists' Creed.[1]

W. R. Scott.

[1] Notes, memoranda, and unpublished material have been lent by Mrs. Nicholson for the purpose of this account. A few sentences have been taken from a Note by the present writer in *The Economic Journal* of September, 1927.