

mediate neighbourhood of the market. He thus gets a condition under which the cost of production is composed of only two factors, that of labour and that of capital (or accumulated savings of labour). He then seeks a formula under which the wages of labour would stand in a compound ratio to the cost at which labour can be maintained and the value of the produce gained by this labour in conjunction with the use of capital (or savings of labour). He then calls the natural wage of labour that amount which is the geometrical mean of those two factors. Of this algebraical expression of a reasoning which is in general correct but can probably not be brought down to a rigid formula, he was nevertheless so proud that he ordered it to be inscribed upon his tombstone. According to his own statement it assisted him in arriving at most important conclusions; but he admits that to make his theory really satisfactory he would have to find the relation between the capital employed and the produce resulting from its employment, and he admits having laboured for twenty years in trying to find this but without success.

The pleasure which von Thünen derived from this algebraical formula reminds us again of Fechner's enthusiasm over his psycho-physical law. Though the latter is supported by experience in various directions more than the formula of Thünen, both are doubtless instances where the value of mathematical precision has been exaggerated.

I have mentioned Fichte's tract and Thünen's formula only as extreme examples of the application to social problems of an abstract method such as has been success-