of them, is very much more creditable than that made by the elaborately safe-guarded state institutions.

Some defects of the work are: the lack of section headings; the absence of any comparison of the number, capital, or circulation of the banks with the population of the state in either period, and of any discussion of the profits and dividends of the banks; inadequate treatment of the methods and results of bank taxation (p. 120); and, finally, that the history of the Illinois banks is treated in a somewhat isolated fashion. It might have been connected more closely with the general economic history of the state and with similar movements in other states. Illinois banking history is simply one phase of a wider movement. Frontier conditions account for much of the bad banking throughout the West and South before the Civil War, and the frontier was not always west of the Alleghanies.

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Recherches sur la Théorie du Prix. By RUDOLF AUSPITZ and RICHARD LIEBEN. Translated from the German by LOUIS SURET. (Paris: Giard et Brière. 1914. Pp. 371 and an album of 84 diagrams. 15 fr.)

To those of us who have read, and therefore admired, the original of which this is a translation, it is a great satisfaction to know that this book has at last appeared in the "Bibliothèque Internationale d'Economie Politique," even if, because of the war, its readers at present will be comparatively few.

The subject-matter of the French edition is identical in every substantial respect with that of the original German edition of 1889. In that year Richard Lieben, a Vienna banker, and his cousin, Rudolf Auspitz, published *Untersuchungen über die Theorie des Preises*, which the reviewer has no hesitation in calling a very brilliant monograph. It was tardy in receiving the recognition it deserved, chiefly, it would seem, because many readers, on opening the book, were frightened away by the formidable appearance of the diagrams. To the uninitiated these diagrams look more complicated than they really are, especially as each diagram contains two sets of curves distinguished by two separate colors. As a matter of fact, however, the diagrams are all fashioned on the same pattern, and, once this pattern is understood, they will be found to be both simple and helpful. The nature of the diagrams is carefully set forth at the outset. The supply and demand curves are similar to the ordinary Fleeming Jenkin supply and demand curves only in that the abscissa, or longitude, represents the quantity (demanded or supplied) of the particular good; but they differ from the Fleeming Jenkin curves in that the ordinate, or latitude, represents, not money price per unit, but aggregate price, *i.e.*, the total money for which the quantity represented by the abscissa would be demanded or supplied. It follows that the prices per unit are represented not by lines but by the slopes of lines drawn from the origin to points on the curves. A "steep" price is represented by a steep slope. The demand curve is a "derivative" of another curve having the same abscissa but ordinates representing total utility measured in money. Similarly the supply curve is a derivative of another curve having the same abscissa but ordinates representing total cost measured in money. Excepting some mathematical appendices there is nothing in the book which the non-mathematical reader could not read without difficulty.

The book does not aim to give a complete and general theory of prices but only to present a clear and perfect picture of how the price of an individual commodity is determined under certain restricted and ideal conditions. Among these conditions is that the marginal utility of money is constant. The object of this hypothesis is to make possible the measurement of all utility in money units.

In the restricted field to which the book is devoted, namely, the intensive study of the causation and variation of an individual price, it is undoubtedly the best in the field; and its conclusions, under the hypotheses assumed, are unassailable. These conclusions include, among the fundamentals, the "Austrian" theory of value that, on the demand side, the price harmonizes with marginal desirability; and, on the supply side, the similar Ricardian theory that the price harmonizes with marginal cost; they include also the principle that both consumer's and producer's "rent" or surplus, measured in money, is a maximum, as well as various other principles, some general and familiar, others special and unfamiliar. They include a few interesting studies of the effect of taxes and other influences on prices.

The chief value of the book consists, however, not in its conclusions but in its method, which is one of rigorous scientific reasoning. The writer of the present review takes this opportunity to acknowledge his own keen sense of obligation to the original book to which in fact he owes his first real stimulus to the serious scientific study of political economy.

IRVING FISHER.

The Nation's Wealth. Will It Endure? By L. G. CHIOZZA MONEY. (London: Collins Clear-Type Press. 1914. Pp. 264. 1s.)

The argument is as follows: An agricultural country cannot be a rich country. By "rich" the author means populous and having much circulating capital as compared with other countries. The condition of riches since the Industrial Revolution has been the possession of an abundant source of cheap power. At present this means coal. Only three countries, exclusive of China, meet this condition, namely, Britain, Germany, and the United States. Hence the industrial leadership of these three and the rapid rise of the latter two. Britain's success in competing with them depends upon her coal supply, but also, and increasingly, upon other elements, especially upon the accumulated capital built up during her long privileged position and upon her mercantile marine. Without the means to maintain her income from abroad through the profits from her manufacture of foreign raw materials and through the services of her ships, her wealth and population must decline. She must therefore prepare for a less favorable situation as to the cost of coal; and so must provide technical education and take better care of the physical qualities of her people. In most of this argument, obligation to Jevons is evident, and it is acknowledged.

But an examination of present wealth and income (continues the argument) shows only £25 per capita per year before distribution. Even a thoroughgoing redistribution of income would not make possible a proper standard for all. Hence the national activities must be directed towards increasing the national income as well as towards making more effective the existing amount. That private enterprise will not take the long and large view, and that it is therefore inefficient, is illustrated by the conduct of the railroads. That the government needs to wake up to its larger task is illustrated by its failure to develop a conservation policy. National application and administration of savings is advocated on grounds of efficiency. The conclusion is thus collectivistic, or is perhaps better described as nationalistic, in an economic sense. The author to a considerable extent restates ideas developed in his *Riches and Poverty.*