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members, making advances thereon which enable the owners to wait for a favourable market. Thus Pomerania is divided into thirteen districts each with a warehouse, the operations of which are restricted to its own district, any excess which cannot be locally disposed of being exported through Stettin. The sales association conducting each warehouse in this way prevents temporary gluts from lowering prices, it buys up lots offered by individuals for sale which otherwise would disturb the market, and by substituting collective for individual offers it regulates prices over the period between two crops. In Prussia and Bavaria state loans are granted for the construction of such store-houses. After a congress held at Versailles in June, 1900, "le Comité permanent de la vente du blé" was formed to organise French agriculturists in a similar way, and in May, 1901, it had received the adhesion of forty-seven agricultural associations with more than 30,000 members. International co-operation of such sales associations is also aimed at, and an international committee has been formed primarily to publish the prices of wheat in the chief markets, but ultimately "to obtain gradually an influence on the fixing of prices in the general market."

In dealing with the concentration of production Dr. Dolléans is on better known ground, on which we need not follow him, further than to note that he regards the "Trust" as a natural development which produces the greatest known efficiency of production. He holds that only by organisation and consolidation of domestic industries can European countries meet American competition. He believes that, while the self-interest of the Trusts will prevent great extortion, the Trust is, as Jaurés says, "un collectivisme patronal," which must become a complete collectivism in order that the working classes may get their proper share in the produce of labour and the direction of industry. On all these points Dr. Dolléans has much to say which is interesting, but the really important part of the book, his original contribution to our knowledge of modern trade, is his discussion of speculation.

HENRY W. MACROSTY

Studi sugli Effetti delle Imposte. By LUIGI EINAUDI. (Torino: Bocca. 1903.)

It is the chief purpose of this work to show the effects of different kinds of taxes on buildings, and to contribute thereby to the study of the problems of local finance, which, in Italy not less than in England, are likely to become one of the leading controversies of the day. It is prefaced by fifty pages of introduction, where the discussion on some important points of pure finance, the method of inquiry, the conception of economic equilibrium, the shifting incidence and general effects of hypothetic taxes, are handled with dialectical vigour and an obvious mastery of the whole bearing of the subject. The author's aim is to

apply in the course of the book, by successive approximations, the theories formed from the abstract study of the laws regulating the taxes assumed by way of hypothesis to taxes really existing in a given financial system; in other words, to pass gradually from an ideal phenomenon to a concrete or positive one. According to Professor Einaudi, a tax may be considered as a fact which alters the pre-existing economic equilibrium, and renders necessary a change to a new equilibrium. If, then, the supposition is made of an economic equilibrium independent of the tax, it appears indispensable to base the financial inquiry on the knowledge of the same which the tax acts on as a novel modifying force. Moreover, if the object of research is not *the* tax but *a* tax, not the laws of the shifting and incidence of taxes generically, but those of a tax on a particular industry, it becomes essential to premise an exposition of the laws relative to that industry by a careful analysis of the elements of supply and demand from the entrepreneur's point of view. When this preliminary work is done, not before, it is possible to proceed advantageously to the study of the variations brought about by the tax in the economic equilibrium. Such an inquiry is of a very complex character. We are obviously unable to cope directly with its complications: we must first simplify the conditions of the problem by momentary elimination of causes, and deal with it by successive approaches nearer and nearer to the real configuration of the phenomena sought. As a first approximation, the author undertakes the study of the laws of the shifting and incidence in their simplest form, considered apart from all counteracting circumstances. His next step is to introduce a new condition, viz., the possibility of estimating exactly the worth of the object on which the tax is imposed. The third approximation takes into account a new perturbing cause: the various form of contracts between the exchanging parties (owners and occupiers). Finally, the fourth approximation deals with the laws and by-laws of a given country (Italy), inasmuch as they can modify the normal process of the shifting and incidence of the tax whose effects are under consideration.

Not a few important conclusions are reached by Professor Einaudi in the course of the volume by the application to taxes on building of the method and ideas which we have but very imperfectly summarised. We would gladly dwell upon their theoretical and practical importance if they admitted of a compendious exposition. Let us at least be allowed to recommend this important book as one of the most remarkable contributions that have recently been made to financial literature.

L. G. VACCHELLI