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acceptance of the entrepreneur point of view." But this does not affect the essential truth implied in the contentions that differential payments do not enter into price, and that such differential payments occupy a particular position in the case of land, though they are undoubtedly valid as against the form in which these contentions have been stated by some writers. The truth has been often obscured by the artificial separation attempted between production and distribution. Differential payments arise because of the conditions under which production takes place, and the doctrine as to rent of land and price insists on the fact that in the case of land the position of the differential element in production differs from that which it occupies in other cases. Doubtless early writers did not recognise that other agents in production were affected by like influences, though not to the same extent or in the same way, but this is fully recognised by modern economists, and so far as they are concerned much of the treatment afforded to this matter is unnecessarily lengthy. There are other points to which this remark is applicable. But despite this, there is much that is valuable in this volume, and this increases the regret we feel as to its method of presentment. The book would have gained greatly by conciseness, and by a more complete separation between the critical examination of other writers and the statement of the positive argument on the part of the author.

E.C.K.G.

9.—*The Laws of Supply and Demand with special reference to their influence on Over-production and Unemployment.* By George Binney Dibblee, M.A. xxiv + 287 pp., 8vo. London: Constable and Co., 1912. Price 7s. 6d. net.

Mr. Dibblee has written an interesting book which, we think, merits, and will, we hope, obtain, the "preliminary consideration" that he asks from "those economists who are not fanatically devoted to the orthodox form of current theories." It will also deserve and it may receive continuing attention from the "business men" for whose instruction, as we understand, the "discussion" was "primarily undertaken." In his own words Mr. Dibblee's essay is "rather to be described as a practical investigation" of the "principles underlying the habits of business men." It may however, we imagine, prove to be the case that this latter class of readers will experience more difficulty than the former in following the reasoning of our author, if they are readier to assent to his conclusions. This result may happen in spite of his own declaration that the "starting-point in every case has been the examination of the use of terms current in business," and that it is not easy, or perhaps always possible, for "theoretical knowledge divorced from business experience" to be "aware of the full context" of such terms. They are "often," as Mr. Dibblee suggestively remarks, the "condensation of layers of practical knowledge." Yet his argument has sometimes seemed to us to be unnecessarily obscure; and it often requires an effort to grasp and follow. On the other hand we think that it is possible that his onslaught on the economic theorising of the text-books may turn out to be less destructive

in the end than he fancies or fears or hopes. He himself distinguishes between the older and the later writers; and he admits that his study is "not founded so much on a rather limited reading as on twenty years of reflection and of experience in more than one kind of business in three countries."

We might unreservedly endorse his warm approval of Jevons for the notable assertion that economic science rests "on the requirements of our human nature, on our personal estimates of them, and on an account of the received civilised methods of exchanging personal sacrifices for personal requirements"; and we might also join in deprecating that ingenious author's attempt to "get valuable results by putting" "psychological data into mathematical mechanisms," which have been "shrouded from" the "vision" of many other plain citizens before Mr. Dibblee. Nor should we dissent from some at any rate of his severe censure of the "orthodox theory of political economy as established by the early English economists." It was, no doubt, as he contends, in a large degree based on "a mistaken or irrelevant social philosophy." Its "preliminary assumptions, always declared to be provisional" by the chief authorities, were unfortunately "accepted as actual" by not a few of their followers. Its "inapplicability in many ways to real life" has been plainly demonstrated, and "many of its outworks have been shot away." Mr. Dibblee himself furnishes additional criticism of a fresh and pertinent character, addressed to that "conception of an economic man," which was first the subject of extravagant assumption by the irresponsible disciples of the old masters, and then in turn became a favourite target for no less unjust attack in equally excessive misrepresentation by hostile *franc-tireurs*. But, when we try to measure the amount of the replacement which in fact Mr. Dibblee introduces into the older systems, and when we make the further endeavour that is incumbent on us to test the stability and to appraise the merits of the new edifice which he constructs, we may ask whether the performance of the main body of his text fulfils entirely the promise of his Preface; and we may perhaps conclude that neither on the negative nor yet on the positive side does he wholly justify the expectations, alarming or encouraging, which he had raised in our minds.

For what does his contribution to the statement of those laws of supply and demand, which are the foundation of economic theorising whether new or old, amount to in the end? So far as we grasp his reasoning a distinction should be drawn between the cost of production, as ordinarily understood and commonly explained by the earlier economists, and those far more considerable costs of selling, which are the ruling factors of most of the transactions of contemporary business life. It is, we admit, at once an important commentary on, and an indispensable addition to, the older version of the law of supply, which Mr. Dibblee thus puts forward. Emphasis is duly placed by him on a fresh circumstance of trading intercourse, and we are by no means disposed to underrate its significance or depreciate its magnitude. Nor should we quarrel with his displacement of the "economic man" as consumer, in the sense advanced in

previous works that he was thought to be always ready to respond to any increase of supply by an extension of demand, and that in consequence of this supposed constant eagerness to buy a glut was rendered an impossibility. On the contrary it appears more congruous with the actual facts of modern trade to state with Mr. Dibblee that the "chief requirement" is now to "satisfy your customers and to keep around you as large a ring of them as possible." Hence it is that the "suction of demand" has to be maintained, sometimes at enormous cost, that stability and equilibrium are not absolute or natural, that some measure of monopoly and glut is normal, and that in exchange the initiative must be taken by the seller who may hit or miss the mark when he names his price. Demand must in fact be "solicited," and customers actually desire to be "flattered and deceived."

For all such acute observations suggested by the new circumstances of the present business process Mr. Dibblee has, we think, deserved the thanks of those enlightened economic theorists who would keep their thought abreast of fact. Nor are his remarks on the possibility or likelihood of general over-production, on the special conditions attending the sale of labour, and on the crucial difficulty of establishing by official pronouncement a minimum wage, owing to collusive evasion, in spite of the ample justification both theoretical and practical which can be adduced for the idea, less opportune or less illuminating. But we cannot discern any great advantage in the substitution, which he recommends, of the laws of expanding and contracting facilities of production for the familiar laws of increasing and diminishing returns. He attaches also, as we think, an excessive stress to the novelty of those fresh laws of demand which he announces, although they may serve to draw attention to some significant circumstances of the times. His contention, lastly, that high prices at the present day can manifestly not be caused by the increase of the world's gold supplies, because gilt-edged securities have not appreciated but have fallen in their price, is surely open to destructive criticism. For, if trade in general be stimulated by an additional output of gold, investors may find more profitable modes of employing their spare capital elsewhere, than those offered by gilt-edged stock yielding a low interest. While, therefore, Mr. Dibblee's book is both opportune and valuable in bringing business knowledge and experience to bear on the emendation and revision of economic theory, his own theorising is perhaps sometimes suspect, and at other times it may prove less revolutionary in its ultimate total effect than he supposes. It is generally subtle; it is not always, as we have remarked, instantaneously or readily intelligible.

L.L.P.

10.—*Précis d'Économie Politique*. Par Charles Brouilhet. viii + 820 pp., large 8vo. Paris: Pierre Roger et Cie., 1912. Price 10 frs.

There is a traditional connection between that aspect of the study of law, which can be summarily described as Jurisprudence, and Political Economy; and this ancient bond has perhaps