

that one man's utility can be compared to another's. Dr. Fisher, who has a just conception of the great gulf which separates economics from moral philosophy, regards comparisons between the pleasures of different individuals as "mysterious" (p. 99) which "do not belong here" (p. 87). At the same time he throws out some hints which will be valuable to the utilitarian.

"The statistician might begin with those utilities in which men are most alike—food utilities—and those disutilities in which they are most alike as the disutilities of definite sorts of manual labour. By these standards he could measure and correct the money-standard, and if the utility curves for various classes of articles were constructed, he could make rough statistics of total utility, total disutility, gain, and utility-value which would have considerable meaning. Men are much alike in their digestion and fatigue. If a food or a labour standard is established, it can be easily applied to the utilities in regard to which men are unlike, as of clothes, houses, furniture, books, works of art, etc." (p. 87).

There are those who think that the principle of final utility is destined to have a more important use in socialistic politics than even in abstract Economics; that, when the regime of competition shall have passed away, the laws of utility will still be employed to regulate utilitarian distribution. Without forecasting a future so remote, we may at least predict to Dr. Fisher the degree of immortality which belongs to one who has deepened the foundations of the pure theory of Economics.

*Public Finance.* By Professor C. F. BASTABLE. Third edition. (London: Macmillan & Co. 1903. Pp. 780.)

REFERRING for a general estimate of this now classical work to Mr. Price's appreciative review of the first edition in the first volume of the *ECONOMIC JOURNAL*, we shall here confine ourselves to some of the passages which have been added in the third edition. They relate mostly to recent developments of financial theory and fiscal policy. Under the first head, "the theory of minimum sacrifice as the principle for distribution of the public burdens," the principles of local taxation, "the ever-recurring question of incidence," and other controversial topics are treated. Professor Bastable, referring to diversities of doctrine comprehended under the generic principles of sacrifice, concludes that "these complications in the employment of the sacrifice principle seem to justify adherence to the objective standard of ability.

especially as the practical application of the criterion of 'least sacrifice' is impossible." It is doubtless true that, in our author's words, "the former is most naturally measured by some objective standard, the latter refers primarily to the sentiments of the people concerned, and is therefore rather subjective." Accordingly, the phrase "ability" rather than "sacrifice" is appropriate when a really objective criterion is consistently adopted. For instance, a Government having to raise a certain amount might distribute the burden of taxation solely on *productional* considerations, seeking to minimise the loss of efficiency, the discouragement to industry and enterprise, which the privations and obstructions incident to taxation may occasion. By no means the worst sort of government, if intelligent, we may say, in passing. But we do not understand that Professor Bastable takes up a position thus objective. He is not prepared to make abstraction of what Mill calls with reference to the *sacrifice* theory "human wants and feelings." He continually appeals to justice. He well says that "an escape from the difficult questions that the problem of justice must always present is a pleasing prospect, though unfortunately based on illusion." Professor Bastable, as it appears to us, does not escape these difficult questions by the use of the seemingly definite term "ability." There are those who think that "justice" is not more, but less, determinate than "least sacrifice." Equity in taxation is presumably not definable without reference to "human wants and feelings."

Referring to local taxation Professor Bastable explains the distinction between "onerous" and "beneficial" rates—which serviceable terms, it is interesting to read, seem first to have been employed by Sir G. Murray in the *ECONOMIC JOURNAL* (III. 701). The desiderated standard of distributive justice is apparently not to be obtained from the contemplation of the English system of local taxation. "There is an entire absence of equity in the actual system of distribution, either as between localities or between the several countries that make up the United Kingdom." In supporting this conclusion Professor Bastable makes frequent reference to the *Memoranda on Classification and Incidence* issued by the Local Taxation Committee.

Their views on incidence also engage his attention. He does not accept "the heroic measure"—proposed by Mr. Cannan—"of discarding the term incidence altogether." Referring to Lord Avebury's address to the Statistical Society on imperial and local burdens, Professor Bastable defends with spirit the judgment which he had before passed on the "diffusion theory" associated

with the name of Canard. Under the head of incidence the case of a strict monopoly is said to be of sufficient importance to receive some special notice. Professor Bastable justly observes that as "in very few cases is a monopoly strictly so called to be found," "the theoretical conception of a pure monopoly is of little direct service in dealing with the question of incidence." Accordingly, he is not to be understood as attaching much importance to one or two specimens which he gives of abstract reasoning about this hypothetical case: *e.g.*, "if a slight rise of price seriously checks consumption, or in other words, if the demand is elastic the monopolist suffers more than in the case of inelastic demand."

Among the recent developments of fiscal policy noticed in the third edition are the new systems of succession duties introduced into France in 1901 and extended in 1902, according to which the duty on inheritance above £2,000,000 payable by relatives of more remote degrees and strangers amounts to 20·5 per cent. The scale of duties is pronounced by Professor Bastable "instructive as showing the arbitrary way in which progressive taxation can be applied." He also notices alterations of fiscal policy in Austria, in the United States, and in Spain. He observes with misgiving the changes which have supervened in our own country, the grave problem for the future constituted by the growth of expenditure, the indications of "a disposition on the part of the predominant political party to depart from the financial principles which have prevailed since 1860." Professor Bastable not only indicates a danger, he has also given us the best means of averting it—sound principles of Public Finance.

*Encyklopädie der mathematischen Wissenschaften.* Band I, Heft 6. *Anwendungen der Wahrscheinlichkeitsrechnung auf Statistik.* Von LADISLAUS V. BORTKIEWIEZ. Band I. Heft 7. *Anwendungen der Mathematik auf Nationalökonomie.* Von V. PARETO. 1903.

*The German Encyclopædia of Mathematical Sciences* has very properly included among its constituent treatises two relating to those branches of the human or moral sciences which require the use of mathematics, namely, the more abstract portions of political economy and statistics.

The scope and function of the mathematical method in political economy are indicated by Professor Pareto with that persuasive lucidity which characterises his introduction to the subject in his articles in the *Giornale degli Economisti* and subsequent writings,