

expected of consolidation, the effect of consolidation upon weaker roads, and the arrangement of the large companies into systems in western territory. The study includes the Atchison, Topeka and Santa Fe System; the Southern Pacific Company; the Union Pacific; the Missouri Pacific; the "Northwestern Railroads," including the Chicago, Milwaukee, St. Paul and Pacific; the Great Northern, the Northern Pacific; and the Chicago, Burlington and Quincy; the miscellaneous systems, including the Chicago and Northwestern; the St. Louis-San Francisco; and the Chicago, Rock Island and Pacific.

After briefly describing each system, the author discusses the effect of the Ripley Plan of 1921, the Interstate Commerce Commission Plan of 1921, and the Interstate Commerce Commission Plan of 1929 upon each road. He concludes from his studies that there is no single plan which "is so obviously correct as to command the assent of all concerned," and that in discussing the consolidation of western railroads too much stress need not be laid upon the importance of maintaining existing routes and channels of trade and commerce, possibly because of confusion as to what is meant by the maintenance of "existing channels of trade and commerce."

In any event, Professor Daggett finds that the actual amount of consolidation involving western carriers has been small during the years following 1920, and it is doubtful if much future progress will be made "until public opinion is more matured and the number of equally attractive alternatives is reduced, or until declining earnings force the great western carriers to make experiments in order to avoid receiverships."

Just what the western carriers will do now that receiverships have become a grim actuality for some of them remains to be seen.

G. LLOYD WILSON

University of Pennsylvania

HEVESY, PAUL DE. *Le Problème Mondial du Blé*. Pp. vi, 293. Paris: Felix Alcan, 1934. 30 Fr.

The value of the book by Mr. de Hevesy

is not so much in the analysis of the causes which brought about the world wheat crisis as in the presentation of an elaborated scheme for the solution of the wheat problem. A short analysis of the causes of the wheat crisis is given only in the first chapter. However, all major factors receive due attention there. In the following chapters of Part I, Mr. de Hevesy presents in detail his project of an international wheat agreement (Chapters II-V) and the reasons why, in his opinion, leading wheat importing and exporting countries have an interest in joining the International Wheat Agreement (Chapters VI-IX). Part II of the book, presumably written later, starts with an analysis of the London wheat agreement of 1933 and of its shortcomings, and gives in the following chapters recent development of national wheat policies in many wheat exporting and importing countries.

Mr. de Hevesy emphasizes that the solution of the wheat problem must be international. National policies of separate countries trying to find an issue from the crisis make the situation rather more difficult. A disposing of the overaccumulated stocks of wheat, partly through the creation of an insurance stock held by all countries in proportion to their domestic consumption, is considered an indispensable preliminary to the solution of the wheat problem. However, in the center of the scheme is the creation of an International Wheat Council, with representation of all countries of the world, to establish the export quotas for wheat as well as to fix the world wheat price. The executive power would be delegated to the International Wheat Board (office), which would enjoy monopoly of all exports and imports of wheat, purchasing it from the National Wheat Boards organized in every country.

The core of Mr. de Hevesy's scheme, and in our opinion its weakest point, is the fixation of a stable international wheat price for each agricultural year. The international wheat price must not only be fixed but greatly raised from its present low level (Mr. de Hevesy suggests the price of about one gold dollar per bushel as

a starting point for the international wheat price). Mr. de Hevesy thinks that it is possible to do this without fixation of other prices, and before the international money exchanges are stabilized. He sees a great advantage for agriculturists in a stable wheat price fixed for a whole agricultural year, early in the fall before they start their sowings. This would eliminate uncertainty of fluctuating prices from which the farmers are suffering. He does not mention how much incertitude would be introduced at the beginning of each agricultural year before the international price of wheat was fixed, particularly because of the method of distribution of votes in the International Wheat Council suggested by de Hevesy. According to his scheme, votes would be distributed in such a way (Appendix N 20) that no exporting or major importing countries would secure for themselves the majority of votes in the Council. The countries of the Orient with a large total consumption of wheat but only little interested in the international wheat price (such as China and British India) would be in the position of arbiters. From our point of view this would only introduce more uncertainty in the stability of the wheat price. Each year the two interested groups (large exporting and large importing countries) would struggle for the votes of countries only slightly interested in the international price. There is much more conflict of interests in relation to the wheat price fixation than it seems to Mr. de Hevesy.

Our impression from the book of Mr. de Hevesy is also that he oversimplifies the problem of price fixation. Throughout his whole book he treats wheat as one commodity, mentioning only once (p. 76) that there are many kinds of wheat of various qualities, according to their origin. From our point of view it is perhaps a much more difficult problem to fix a right scale of prices for various kinds of wheat than to fix a general level of wheat prices, just because of wide fluctuation of wheat crops from year to year in separate countries. But there are also great dangers in a wrong fixation of a general level of wheat prices, particularly when only wheat prices are fixed and others are left free. Mr. de

Hevesy himself points several times to this danger.

With all this, however, Mr. de Hevesy's book is very stimulating and deserves to be read by all interested in the solution of the wheat problem. Numerous appendices to the book supply interesting details and statistics.

V. P. TIMOSHENKO

University of Michigan

JONES, JOSEPH M., JR. *Tariff Retaliation*. Pp. x, 352. Philadelphia: University of Pennsylvania Press, 1934. \$3.00.

In this timely and well-written volume the author undertakes to investigate, as stated in the subtitle, the "repercussions of the Hawley-Smoot [Tariff] Bill." It is with difficulty that a precise relationship can be drawn between the one isolated cause of the 1930 United States tariff and the one isolated result of retaliation abroad. This would be true in any event, but the difficulty is the more pronounced in view of the complexity of world economic events during and following the year 1930. Mr. Jones has at all times during his study recognized the complexity of this problem, and this reviewer cannot say that he has drawn unwarranted conclusions. He shows in chosen instances how a frantic and threatened economy in many countries has struggled to solve unprecedented problems, only to be faced with inflexible and prohibitive customs walls, particularly in the United States. Curiously enough, the 1930 United States tariff appears to have been the proverbial "last straw."

Of particular interest to the American reader is the interpretation of the foreign point of view with respect to our tariff barrier. In this connection one is inclined to observe that the book is misnamed, a more enduring and perhaps more accurate title being "The Disrepute of the Most-favored-nation Clause"; for Mr. Jones devotes considerable space to a study of the postwar evolution of this phase of commercial policy. As related to the Hawley-Smoot Tariff Act, which violated (in foreign eyes) "the equality-of-treatment principle, . . . foreign nations lost sense of moral obligation to accord to the United