

THE WORLD OF TO-DAY

WHY PRICES RISE
AND FALL

BY

F. W. PETHICK LAWRENCE

HUMPHREY MILFORD

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PREFACE

THIS little book has been written for the man or woman who wishes to understand the economic basis of prices. For this purpose I have endeavoured to make it as readable as possible by giving a number of illustrations taken from the practical affairs of every-day life.

The first four chapters deal with the general principles of making and using, and are of universal application. The next three chapters illustrate exchange and money. Chapters VIII to XI are devoted to an outline of the recognized economic theory of prices based on the system of complete competitive private ownership. I have indicated the basis on which the proceeds are shared out between rent, interest, profits, and wages; and have specially discussed the effects of an increase in wages on prices and of an increase in prices on wages and profits. Chapter XII is concerned with the result of taxation. In Chapter XIII I have explained the basis on which prices are decided when the competitive system gives place to monopoly. Chapter XIV is a brief sketch of the effect of public control on prices under competitive or monopolistic conditions. In Chapter XV I have discussed prices under public ownership. In Chapters XVI and XVII, I apply the theories of the preceding chapters to the events of the last six years. Chapter XVIII is a somewhat hazardous attempt to penetrate into the future.

Owing to the rigid limits of space, the book is necessarily a mere outline of the subject. But if I have illumined some dark places, still more if I have made this part of the 'dismal' science intelligible and even interesting, I shall feel that my work has not been in vain.

F. W. PETHICK LAWRENCE.

11 OLD SQUARE, LINCOLN'S INN.

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