(1847–48), it is unclear why the argument draws in texts from the 1860s and the twentieth century (particularly Friedrich Hayek) to make an argument about Smith's indirect influence on Victorian novels; Courtemanche acknowledges that she is "leap[ing] ahead somewhat arbitrarily" (p. 149). Her argument is that *Vanity Fair* both responds to "Smith's depiction of a complex society structured morally by unintended consequences" and "hearken[s] back to Smith's satirical vision of social progress through mass delusion in *The Theory of Moral Sentiments,"* and, through "depiction of the chaotic and unpredictable results of trivial accidents also foreshadows a kind of economic thought that wouldn't become prominent until the dawn of the information age" (p. 147). While the third claim is interesting, it isn't germane to the task Courtemanche putatively sets herself in this study, and dilutes her argument. Further, while Courtemanche is careful to position herself within interpretive conversations, her readings are sometimes eccentric. To take one example: describing the narrator of *Northanger Abbey* as "masculinized" may not be indefensible, but it is not the universally acknowledged reading she presents it to be.

This should be a useful book for scholars of Victorian novels interested in the evolution of paradigms of social organization. Ultimately, the study is not about Smith's economic or moral ideas, but the metaphor itself as a conceptual framework that Courtemanche finds in later novels. While some, like Charles Dickens's *Hard Times* and Harriet Martineau's *Illustrations of Political Economy,* explicitly address market-related questions, Courtemanche's analysis is not focused on whether the authorial stance on capitalism is persuasive, but rather on how perspectival dichotomies shape the presentation of that stance through narrative technique. Ironically, given the focus throughout the study on opposing perspectives, the array of questions entertained and the wealth of detail in individual chapters make it hard for the reader to get from the worm's-eye view of an individual novel to the bird's-eye view of Courtemanche's overarching argument. The repeated efforts at the beginning and ending of chapters to reframe the argument ameliorate but don't remove this problem. This weakness is counterbalanced by the richness of Courtemanche's transdisciplinary investigation of possible literary engagements with Smith's evocative metaphor.

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Matthew Smith, *Thomas Tooke and the Monetary Thought of Classical Economics* (New York: Routledge, 2011), pp. xx, 300, $165. ISBN 978-0-415-58393-0.

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Thomas Tooke is, of course, well known by many economic historians and historians of economic thought for his vast collections of price data, seemingly never-ending efforts to explain the forces driving price changes of individual commodities, and support of the banking school and its anti-quantity theory of money position. Tooke is not, however, generally cited as one who developed a coherent and complete economic theory. Given the volume and nature of his writings with their focus on detailed data

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and individual causes, this is not surprising. In the words of John Fullarton,[1] Tooke's theories "have to be searched out among the dry details of statistical work, in which few general readers have the courage to look for them." Given the scarcity of book-length works dealing with Tooke, it would seem that "general readers" are not the only ones to have avoided digging for Tooke's economic theory. Matthew Smith's recent book, *Thomas Tooke and the Monetary Thought of Classical Economics,* only the third book-length treatment in addition to those of Theodor Emanuel Gregory (1928) and Arie Arnon (1991), is an exception to this pattern of avoidance that constitutes an ambitious effort to find a coherent body of economic theory in the works of Tooke. Smith tells us his purpose "will be to discover Tooke's 'system' of political economy and what shaped it" (p. 2). In the process, it appears Smith has examined all of Tooke's extensive published writings, various letters, and his testimony before numerous parliamentary committees spanning a period of thirty-eight years. As a result, Smith is able not only to successfully extract substantially more of a theoretical framework than earlier researchers, but also to discuss at length the evolution of Tooke's views on money and monetary policy over the course of his active career.

The first two chapters of Smith's book serve as introduction and background, with Chapter 1 including a review of the previous secondary literature addressing Tooke and his economic writings as well as a brief overview of classical economics, as it is within this classical framework rather than that of marginal analysis that Tooke's theories must be understood and judged. In Chapter 2, Smith gives a brief summary of Tooke's life, writings, and parliamentary testimony as well as the political, economic, and social events and circumstances that often motivated Tooke, breaking Tooke's career into two periods: a pre-banking-school period from 1819 through 1838, and a banking-school period from 1840 through 1857.

It is in Chapter 3 that Smith breaks new ground in his study of Tooke, drawing on fragments of evidence in both his written work and his parliamentary testimony to reconstruct Tooke's theoretical framework. Smith convincingly argues that Tooke adopted Adam Smith's adding-up theory of prices with the natural price being the sum of wages, rent, and profits, around which market prices fluctuate over time. Smith tells us that Tooke also argues that wages are determined by "socio-economic, institutional and technical factors" and are constrained by some "socially determined minimum subsistence wage below which the real wage does not fall" (p. 27), essentially institutionalized by the poor laws. Additionally, Smith argues Tooke adopts a Ricardian theory of rents wherein rising prices of agricultural commodities result in farming's being extended to less fertile lands and rents increasing. In developing his theory of profit, Tooke deviates from Ricardian theory, though, in arguing that it is rents rather than profits that are the residual. This theory of profit doesn't emerge until 1938, however, with the publication of the first two volumes of his *History of Prices,* in which Smith tells us Tooke argues that profits comprise two "independently determined component parts: the average rate of interest on 'monied capital' of the 'best security' and the remuneration for the 'risk', 'trouble' and 'professional skill' of the productive employment of capital" (p. 39). It is in this one regard that there appears to be a degree of originality in Tooke's work. This originality is important because, in Tooke's theory,

[1]As quoted by Smith (p. 202).

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it has distributional consequences, as Tooke saw the nominal wage as sticky, implying that an increase in the interest rate would increase profits and prices at the expense of real wages. After reading Chapter 3, one is impressed by Smith's efforts and likely to be convinced that, however fragmentary it may be, there is a theoretical coherence to Tooke's work. Although much is borrowed, as is true for most economists, the aspects that ultimately are critical for Tooke's monetary theory do appear to exhibit quite a degree of originality.

Chapters 4 and 5 cover relatively well-known territory in dealing with Tooke's explanation of prices, with Chapter 4 specifically addressing the prices of corn (wheat, or, more generally, agricultural commodities) and Chapter 5 focusing on the general price level. Smith argues that Tooke sees supply-side factors, primarily weather and climate, as the main driver of both short-run prices and long-run or secular trends in the natural price. While there are also other forces, such as war and trade restrictions, that exert an influence over prices, the key point is that it *is not* changes in the money supply that drive prices. Rather, the money supply changes in response to changes in prices brought about by real forces.

Chapters 6 and 7, building on the foundations laid in the previous three chapters, get to the heart of Tooke's monetary thought. These chapters follow the same division in Tooke's thought laid out in Chapter 2 between his pre-banking-school and banking-school periods. In Chapter 7, Smith describes Tooke's banking-school monetary thought developed in opposition to that of the currency school with its strict adherence to the quantity theory of money, describing Tooke's "dual circulation" model, which differentiates between money (including credit) circulating between dealers and consumers and that circulating only among dealers. According to Smith, Tooke argues that expansionary policy carried out by reductions in the discount rate increases the use of various forms of credit for speculative purchases of assets. Absent expectations that commodity prices will rise due to some underlying causal mechanism, though, the assets purchased are financial assets; asset prices are affected, but commodity prices generally are not. Credit is far more important in this expansionary process than banknotes. Most important, though, is that money is ultimately endogenous and is determined by the total volume of transactions. Also, quite significantly, in the long run, the interest rate is a cost of production leading to the (by modern standards) counterintuitive result that increasing interest rates will result in *increasing prices* and the distributional consequences described in Chapter 3. In these two chapters, Smith gives both a clear understanding of Tooke's banking-school arguments as well as how they evolved in a logical progression out of his pre-banking-school positions. Contrary to the views expressed by both Gregory (1928) and Arnon (1991), Smith argues convincingly that there is a logical *evolution* of Tooke's monetary thought and not some sudden break between the pre-banking- and banking-school periods that needs explanation.

Chapter 8, the final chapter, examines Tooke's legacy. Smith argues that Tooke's work influenced that of John Stuart Mill, Karl Marx, Knut Wicksell, and, through Mill, Alfred Marshall, as well as others. Smith argues, though, that Tooke's most important legacy is his view of the role of autonomously determined interest rates in determining the rate of profit, which, in turn, has long-run consequence for the distribution of income and real variables. As a result, money is non-neutral in the long run. It is somewhat surprising, however, that Smith finds, or at least discusses, no legacy of Tooke

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with regard to monetary factors and financial crises, as this is an issue that arises a number of times in Smith's discussion of Tooke's economic theories.

Overall, while some of the territory covered by Smith is familiar, as is necessary to put the rest of his work in context, Smith's book constitutes a valuable addition to the relatively sparse literature addressing the thought of this important and, in many ways, thoroughly modern nineteenth-century economist. Smith has examined a vast amount of evidence, including Tooke's own writings, letters, and parliamentary testimony—some of which has been infrequently cited—to extract an economic theory and convincingly show consistency in the evolution of Tooke's thought. Smith has, as he intended, successfully shown that "Tooke did possess a coherent theoretical framework as a necessary starting point to conduct his empirical analysis and upon which he subsequently built" (p. 3) and has demonstrated the consistency of Tooke's monetary theory with his underlying economics. Furthermore, even though it isn't Smith's focus, it is an important contribution in light of events in world financial markets over the last few years. Tooke's theories could be a source of comfort to those who worry about inflation resulting from overly expansionary monetary policy, but also a source of worry for those concerned about asset bubbles. For those with an interest in nineteenth-century monetary economics or the modern legacies of Tooke's work, it is well worth the time and effort to read Smith's insightful book.

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The doctrines of Thomas Robert Malthus have experienced a recent resurgence in both academic and popular discourse. Fifteen to twenty years ago, one might have thought that Julian Simon's optimism had proven correct. Resource prices had been falling since the end of World War II and economies around the world were moving toward market reforms. Yet, today we see a different world. There have been three food-price spikes in the last six years, many resource prices have been rising since the early 1990s, and economic growth in the developed world seems to have slowed down. The proposition of "peak oil" is debated with seriousness. Furthermore, the world must double its food production by 2050 to feed the growing populations of Africa and

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