THE NOMINALISTIC PRINCIPLE. By E. Hirschberg. Bar-Ilan University, Israel, 1971. Pp. 138.

THE SUB-TITLE of the book describes it as a "legal approach to inflation, deflation, devaluation and revaluation". The book is a study in monetary law conducted at the University of London, and treats the various aspects of this law in terms of modern economic phenomena. The dominant principle in the legal theory of monetary law is 'nominalism' which considers that a rupee is always a rupee or a dollar always a dollar irrespective of the fluctuating purchasing power of these monetary units under inflation, devaluation, *etc*. The treatment of the principle of 'nominalism' given in chapter I is both exhaustive and illuminating. It examines the various aspects of nominalism, the theoretical foundation of which is based on the prerogative of the state over money, that is to say, "currency is the creation of law, arising out of the legislative activity of the State". According to the author :

> The main advantage of the nominalistic principle is that according to it a unit of currency is of a standard and technical nature.... Deviation from the nominalistic principle means technical disturbance, which may interfere with the proper functioning of the economy.[1]

However, one may note that much of the 'disturbance which interferes with the proper functioning of the economy' is not mainly of any technical nature but arises from purely economic and institutional factors.

Chapter II treats the concept of 'valorism', which enquires into monetary obligations, not in terms of the 'nominalist principle', but on the basis of the value of monetry units, emphasising not the legal nature of money, but the economic and social functions of money. Students of economics may find this aspect of monetary law more in accordance with economic phenomena than the nominalistic principle. The author's treatment of the concept of 'valorism' is highly competent in that it examines in depth both the legal and economic implications of the functional aspect of money, and the economic and social consequences which arise from a change in the value of money through inflation or deflation. Chapter III traces the history of revaluation of their currency units in countries like Germany, Poland and Hungary after the first world war. The discussion on German revaluation is a detailed one. The main defect of the legislative revaluation, in the author's view, was :

> [T]he fact that it did not develop an independent theoretical

1. E. Hirschberg, *The Nominalistic Principle* 51-52 (1971).

approach of its own, which could have served as an alternative approach to the nominalistic principle.[2]

Revaluation of currencies is a legislative device, technical in nature, to rescue an economy when, because of non-legal factors, the prevailing unit of currency has completely ceased to perform its economic and social functions.

The concluding chapter gives a summary of the main arguments and conclusions of the study.

The book is an original piece of research into an area which has not anywhere been systematically treated so far. It is the first book of its kind and the standard of research that has gone into its preparation makes it qualitatively the best yet available on the subject. The book has an excellent bibliography, but the lack of an index is a regrettable omission.

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2. *Id.* at 115.

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