

founded on the last purchase price in the cases of land leased or sold within the lifetime of the owner; he gives inaccurate information in regard to New Zealand and Australia: the graduated tax in New Zealand commences at £5,000, and does not stop there as Mr. Samuel asserts; the exemption from taxation of "all improvements" was *not* the whole essence of the Rating on Unimproved Value Act of 1896; the principle of graduation in Australia is applied only in respect of value and does not affect area.

The above errors give an idea of the pains Mr. Samuel has taken to understand his subject, and with these credentials he can almost be excused his amateur treatment of the economics of the Single Tax. He looks upon rent as one of "the forms of interest upon capital"; says that "scarcely any economists have taken the Ricardian theory as capable of serious practical application in the twentieth century"; disputes the contention that both the "physical value" of the soil and the "site value" represent unearned increment; thinks that under the Single Tax "rent would be fixed by the State"; believes many Single Taxers would "reconvert England from an industrial to an agricultural community," and claims that "Henry George would rake up the hoary titles of centuries and centuries of unchallenged possession," in spite of the fact that he expressly stated that "by-gones should be by-gones," and proposed to let those who, by the past appropriation of land value have taken the fruits of labour, retain what they have thus got. He proposed that for the future such robbery should cease—that for the future, not for the past, landowners shall pay to the community the rent that to the community is due.

Mr. Samuel's criticism of the Single Tax is summed up in the statement that "it is a modified (and bastard) form of that theory of collectivism which has been most ably expounded by such writers as Marx and Schäffle," and moreover "it has been condemned by such eminent economists as Bastable and Seligman." This is probably the worst blow of all!

The author's main quarrel with the Single Tax, however, is that it would collect the whole revenue of the country from the rent of land without compensation to landowners. Yet he himself advocates a large instalment of the Single Tax principle by urging the rating of land values and the imposition of a drastic tax upon land values. Forgetting his contemptuous reference to the claims made by Single Taxers in favour of the taxation and rating of *all* land values, he holds that his proposals would bring about an increase in housing accommodation, a decrease in town rents, an increased supply of land for small holdings, more cottages, higher wages for agricultural labourers, and a lowering all round of agricultural rent. This is certainly enough to go on with, but the prophecy of these results sounds very strange in the mouth of one who protests against the expropriation of landowners and denies that the law of rent has any validity.

We should add that Mr. Samuel would graduate his national tax in proportion both to the area and to the value of land. Graduation according to value as in Australia has already proved a fruitful source of evasion and exemption, enabling numerous land speculators to escape; but that a tax on the *area* of land will do nothing but harm should be apparent to Mr. Samuel when he finds time to resume his study of economic principles.

A. W. M.

WEALTH AND WELFARE.*

The most attractive portion of this book is its title, *WEALTH AND WELFARE*, which is possibly also the most instructive, for there is some relation between these two

terms, national welfare, in the broadest sense of the term, being dependent upon the equitable distribution of wealth, of the proceeds of the national industry. From its perusal, however, no clear insight will be obtained into what constitutes "welfare," nor as to what in economics should be comprised under the term "wealth." In its broadest sense the term "wealth" may be used to connote everything conducive to well-being, to "welfare"; in a political or economic sense it denotes only things capable of ministering to human desires that have been produced by human labour. And the problem of modern political economy is how most speedily and effectively to secure a more equal and more equitable distribution of wealth. On this problem, however, the book now before us throws no light. Quite the contrary, the problem is darkened and mystified, and the issue concealed and confused, by the peculiar methods adopted by its author. Instead of an analysis of the different claims to-day made on the fruits of the national industry, of rent, of interest, of profits, and of wages, all such claims are roughly lumped together under the convenient, if somewhat ambiguous, term "national dividend." This, as might have been anticipated, paves the way for a series of learned disquisitions, mostly couched in highly technical and at times almost incomprehensible jargon, on the means by which "the magnitude of the national dividend" may be maintained, increased, or diminished, and of the effects on this dividend of transferring to the "relatively poor" some portion of such dividend to-day accruing to the "relatively rich." The "relatively poor" and the "wage-earning workpeople" are regarded as "equivalent classes" (see p. 79); and such portions of the "national dividend" as accrue to these classes is regarded as identical with "the earnings of the factor labour." For his special purpose Professor Pigou divides "the factors of production, from whose joint operation the national dividend results" into "labour" and "non-labour," embracing, strangely enough, under the latter category "along with the work of Nature, the work of many kinds of mental ability, the service of waiting [which is none other than our old friend "abstinence" in a new dress], and the service of uncertainty-bearing," on the meaning of which latter term a whole note of some ten pages is given, mainly to show that "though generally associated with waiting, uncertainty-bearing is analytically quite distinct from it, and is an independent and elementary factor in production standing on the same level as any of the better known factors"—the illustration (p. 96) in support of which is amusing, if not very convincing.

Further into the intricacies of Professor Pigou's economic labyrinth it is quite unnecessary to take our readers. They would scarcely thank us. For his book simply adds another to those very learned, very involved, incoherent and illogical, and to the general reader mainly unintelligible books which for some reason or other highly placed professors of political economy, as taught in universities, seem to think themselves bound to compile, and which, presumably, those who wish to pass the examinations over which they preside will find themselves compelled to study. We regret this latter fact; for their competency to understand economic phenomena or to help to solve the economic problems confronting society to-day and urgently demanding solution, is little likely to be promoted by such study. Quite the reverse. The diligent study of such books is far more likely, to use the words of Schopenhauer, when reflecting on the works of the German philosopher Hegel, "to make a bright young man so stupid as to become incapable of all real thinking. For these monstrous piecings together of words which really destroy and contradict one another so causes the mind vainly to torment itself in the effort to discover their meaning that at last it collapses exhausted, with its capacity for thinking so completely destroyed that from that time on meaningless phrases count with it for thought."

L. H. B.

* *WEALTH AND WELFARE*, by A. C. Pigou, Professor of Political Economy in the University of Cambridge. Publishers: Macmillan & Co., London. Price, 10s. net.