

BOOK REVIEWS.

WEALTH DISTRIBUTION.*

It is something that a college professor, and he, too, a professor of economics, should state that the laws "give to the possessing class an undue advantage over the non-possessing class, especially over our wage-earning people, reducing them to the position of economic slaves."

And again:

"Men have learned how to make valuable things and how to make things valuable, but they have not yet solved the problem of the ownership of things. In economic language, they have solved the problem of the production of wealth, but they do not know the rudiments of its distribution."

The Chapter entitled, "The Key to Distribution" states the true relation of the distributive factors:

"The control of natural resources represents the non-essential, the illegitimate use of capital, which carries with it the absolute power over the division of the products of industry, hence the undescribed and indescribable misery endured because of it. When people come to recognize the distinction between the legitimate and illegitimate function of capital in both the producing and the carrying industries, they will find some way of putting an end to this non-essential, this illegitimate function which result from adherence to traditional institutions founded in selfishness and maintained by force."

Perhaps most Single Taxers will take issue with Prof. Matthews in his succeeding chapter on "The Basis of Distributive Wrong." He assumes that the "laissez faire" doctrine established by the successors of Adam Smith is responsible for many if not indeed most of the economic evils in society, and he says that "the first half century of industrial freedom for which Adam Smith pleaded was the most doleful chapter of English history, and proved the absolute falsity of this hands-off doc-

trine." Yet he puts his finger on the truth in the following words:

"The assumption might prove approximately true in a world of equal opportunities, or in a world inhabited by angels. But it will never get within sight of the truth in a world of unequal opportunities inhabited by men."

Is it not possible to make a world of equal opportunities by removing every vestige of monopoly? Surely the Professor has in mind economic opportunity. Is there not a true and false "laissez faire"? Is not the cry, "Clear the way and then let alone," the voicing of the true doctrine. Those who believe with Professor Matthews in the things needful to be done so contend. Why, believing as he does, should he not rather point out where the "laissez faire" doctrine fell short? Suppose that Cobden had carried further the free trade doctrine on the lines at which he hinted more than once, but at which the Manchester school of political economy came to a full stop. Would it not have carried the exponents of this doctrine right into the Single Tax camp? It may be that Professor Matthews does not wholly agree with this, since he seems to condemn "unrestricted inheritance privileges."

In the contemplation of social conditions there is a genuine and refreshing indignation which were it generally shared by college professors, would make them seem almost human. Professor Matthews comments upon the men who work at blast furnaces for \$1.73 a day, and in Havemeyer's refineries for \$1.35 a day where the heat is intense—this same Havemeyer who said, "I do not care two cents for your ethics," and who also said regarding the men who are compelled to labor in these intolerable conditions at an insufficient wage: "They rather like it. They perspire freely and do not feel it. They drink a great deal of beer, and that tends to promote perspiration."

Professor Matthews condemns individualism, but he would not replace it with collectivism or socialism. The individualism that he condemns after all, if we understand him, is that which prevails under present conditions, not that which might prevail. So why quarrel with what is merely

*Our Irrational Distribution of Wealth, By Byron C. Matthews, Professor of Political Economy in Barri ger High School, Newark, N. J. Cloth, 12 mo., 195 pages. Price \$1.25 net. G. P. Putnam's Sons, N. Y. City.

a different method of presenting the truth. Nor will we quarrel with the term "profits," in his treatment in Chapter II. "Profits a Gratuity." For profits he shows to be a robbery of wages, excessive price due to monopoly, or rebates—which in its turn might be defined as a diversion of rent. We will not quarrel with the use of an un-economic term by an economic professor, especially in view of what he says on page 124: "The main sources of profit are in advantages of location and equipment, unusual skill in management, monopolistic power, tariff and patent laws, and advantages in transportation." On page 128 he defines dividends as "a blanket term including rent, interest and profit." But has he not defined one of the sources of profit as advantages of location, or advantage of rebates, which is rent or a misuse of the rental power, if we may so speak. Nor does it seem clear to us that profit is a good term in which to include the excessive salaries paid to such persons as the officials of the steel trust. These, too, are a diversion of sums rightly due labor as wages, or rent diverted to private uses. Save perhaps for purposes of popular exposition, or for the purpose of getting closer to the socialist terminology, there seems no good reason why the term profits should be substituted for the incomes, Rent, Wages, and Interest going to the three factors, Land, Labor and Capital. And this seems to be further exemplified in Prof. Matthews' attempt—unusually successful though it be in avoiding confusion—to erect profits into a term of importance. For even he has made it to include much that belongs to other economic divisions. But if Prof. Matthews thinks he makes economic wrongs clearer to the popular mind by this division, we have, as we say, no quarrel with him. His effort seems to be to use such terms as are commonly employed by the socialists, and however much we are puzzled temporarily by his distinctions, the professor always carries us out into the broad light of day, and sets us on solid ground at the end.

This he finally does in the concluding chapter, which is a lengthy one, and in which the reasons for the adoption of the Single Tax are fully and adequately set forth.

This appears in connection with a brief explanation of socialism, which is stated in terms of great fairness. No effort is made to place these two theories in opposition, and there are some fine and true things said in praise of the spirit of socialism. We might dispute the statement that the two are "similar in aim and methods", but the argument for the Single Tax leaves so little to be desired in grasp and scope, temper and clarity that we refrain from indicating minor disagreements. In conclusion we commend this book for the use which we imagine was in the mind of Prof. Matthews when he wrote it. It is a good book to put into the hands of our socialist friend, or the man to whom socialism presents itself as more or less appealing. For it uses the terms used by our brothers of the Co-operative Commonwealth, and carries them along on their own familiar streams of thought, though compelling them almost before they know it to land on the opposite bank.

J. D. M.

A PAMPHLET BY J. P. KOHLER.*

A pamphlet small enough for general circulation, which should set forth, as clearly as may be, the cause and cure of panics and industrial depressions, in terms as simple as the English language will permit, would be at this particular time a desirable addition to Single Tax literature. Such a pamphlet, to be permanently effective, would have to be nearly invulnerable in its statement of economic cause and effect. It would have to be a work where definitions and illustrations were recognized as approximating to the exactitude which is a property of only a few of the sciences. Such a pamphlet would be tremendously effective.

It is, therefore, to be regretted that this little work, the writer of which recognizes the need of such a popular treatise, and who in some ways has done his work not at all badly, should have been at times so very

*Hard Times, the Cause and Cure. A Plea for Perpetual Prosperity, by James P. Kohler, Paper, 64 pages, price for single copies ten cents. Temple Bar Building, Brooklyn, N. Y.