

in the only way it can be done. For then there would be no poor, and the conditions that furnish exercise for kindly—if somewhat ostentatious—charity, would have disappeared.

Either Mr. Cutting should change the name of his society to avoid confusion with movements that really seek improvement in the condition of the poor—meaning all the poor—or confess frankly its fraudulent character.

#### CAPITALIZING ANOTHER'S SUCCESS.

A merchant on a lower Broadway corner, who had been paying \$25,000 a year for the ground floor store space, opened the question of a renewal with his landlord's agent as the ten year lease was approaching expiration: "Forty thousand dollars will be the rental for the next term," was the response. "But," reasoned the tenant, whose long tenancy had made the site valuable to him, "I am not in business to earn rent alone, and my business will not stand an advance of 60 per cent. in rent." That was the end of the argument. The tenant went up Broadway not more than five blocks, rented a whole front for \$17,000, bought out another merchant, who had the corner store, at a good deal less than his old rental and had as good a location as before. The attempt to capitalize a tenant's business standing and popularity which he had built up through nearly a quarter of a century had, so far as the landlord was concerned, signally failed. Meanwhile the old stand has been empty for a year at least.—*Wall Street Journal*.

ON Sunday, March 16, Hon. J. B. McGauran, of Denver, spoke in the Unitarian Church of Colorado Springs, his subject being "The Effect of the Single Tax on Commerce and Industry." The occasion was a great success.

THE Shovelcrats, a Satire on the Monopolistic Theory of Land Ownership, is a pocket sized pamphlet of 40 pages advertised elsewhere in this issue. It is a delightfully amusing *tour de force*.

#### BOOK REVIEWS.

##### A WORK IN THE SPIRIT OF GEORGE AND DOVE.\*

Here is an elaborate and scholarly work of 680 pages. It looks formidable, but the title page is reassuring, Taxation and the Distribution of Wealth, by Frederic Matthews. Note that the author if he occupies a chair in any university makes no boast of it, so we may therefore take up the work without apprehension in spite of its 680 pages.

And as we begin we find again that one may write engagingly on economics if he think straight, and he will think straight if he has no professorial nonsense to unlearn. How well Mr. Matthews has done his work the reviewer may now indicate by saying that outside of Mr. Louis F. Post's luminous treatment of the subject here is the best refutation of the Balance of Trade theory which we remember to have read anywhere—probably the best between covers; here is the best reply to the Infant Industry argument, which has the unfortunate weight of John Stuart Mill's great authority, and which on page 60 inspires the following weighty statement of Mr. Matthews: "It would be interesting to know the total effect of Mill's influence in connection with Protection; it would not be surprising, owing to this single passage, if the total net result of his writings had not been much in favor of the protective system rather than the reverse, although the entire tendency is diametrically opposed to it."

The writer's poise is admirably judicial. The positions of the protectionist authorities are stated with every conceivable addition of plausibility, only to be disposed of in a manner which leaves nothing to be desired in irrefragability and clearness. As the author is fair to the point of extremity in his statement of an opponent's position, he is merciless in following the demonstration of a fallacy to its conclusion. And this he does without unnecessary rhetori-

\*Taxation and the Distribution of Wealth. By Frederic Matthews. 8vo. Cloth. 680 pp. Price \$2.50 net. Doubleday, Page & Co., Garden City, L. I., and N. Y. City.

cal flourish and with the imperturbable calmness of an inquisitor.

In the whole range of economic literature there is no more interesting exposition and rebuttal of the theory of the tariff as a weapon, or retaliatory measure, than is set forth on pages 99-102. There is no more thorough and detailed examination of various forms of direct and indirect taxation than is contained in this book.

How he clinches an argument in a few words may be illustrated. What can be better than this conclusion following illustrations drawn from a variety of historic instances: "A study of these and analogous facts in every country shows that the only thing essential to the subjugation of labor is a fiscal system which keeps land out of use." And here is a thought of value. Following George he concludes that if land values exceed the needs of revenue (and this, so far as present needs are concerned, Mr. Matthews proves in a chapter in which the subject is ably treated) he advocates the distribution of this surplus if any remain in the form of old age pensions. And he adds this thought to Mr. George's: "Such a system might have an effect upon administration. When every individual has a direct interest in maintaining land values at a maximum and social expenses at a minimum, administrative extravagance and waste might not be so common as at present."

Though Mr. Matthews is an uncompromising advocate of the resumption of social wealth for social needs (in other words, a Single Taxer) he carefully considers the period of transition, and proceeds here with his customary caution and nicety of calculation. He avows candidly the difficulties which confront us. But he says: "All land values under a direct fiscal system would be registered. The mere fact of registration would in the course of time act as a method of establishing values of all kinds from the value of the franchise of a great railway to the site of a house." And further on, after suggesting many difficulties, he says: "It seems scarcely worth while to multiply difficulties and counter considerations; the process may be continued indefinitely. No radical modifi-

cation of existing fiscal methods, such as the liberation of industry and the use of social wealth for social needs, could be adopted without meeting an endless array of practical complications." How wisely falls this seasoned advice upon those perplexed by the real difficulties in our way! But we can be quite as confident as Mr. Matthews, whose sagacious penetration enables him to weigh these difficulties with the fineness of an apothecary's scales, that if our principles are correct their practical application can present no difficulties not finally soluble.

There is even an important proposition advanced involving a kind of compensation which I believe to be new, and which it may not be wise to reject without more consideration than can be given it here. It suggests classification of land values for purposes of taxation which would divide small and recently acquired holdings from land bought at earlier periods, and the writer suggests perhaps ten classes representing ten periods of tenure, the duration of such classification to be temporary, of course. Mr. Matthews is not blind to the difficulties in the way of this proposal, and he reviews them with his usual caution.

We are not disposed to quarrel with Mr. Matthews for his use of the word "profits," for he uses it always in a single sense. In the same way his use of the word "rent" is not confusing, for when he means land rent he says so and when he means improvement rent he says that. Perhaps his discussion gains rather than loses in lucidity by these means.

We do not believe that the reader will find it easy to follow the author in that portion of the work entitled *Progress and Politics*, nor through his discussions of evolutions and systems of philosophy and religion, and particularly in the chapters on *Aristocracy and Democracy*. This difficulty will not be because of obscurity of treatment, for here as elsewhere he is clear, but because the reader will wonder where he is being led, for so strongly are certain positions stated that one wonders where are the writer's sympathies, or if he has left them behind him in that part of the work which deals with *Taxation and Dis-*

tribution. But let the reader be patient until he comes to the chapter entitled *Natural Society*.

But the general criticism that might be made is that the author has attempted too much. His own mind is so swift in generalizing that he imagines his conclusions can be embraced by the reader with the same rapidity of survey. Nor does the author seem to move among these philosophic speculations with the same surety of step. But it must be remembered that he has set for himself a tremendous task, which is no less than to afford a realization of man as a social, reasoning, worshipping being, with the laws of progress to which he is subject. It is, as we say, a tremendous task. Only two others have attempted it in the same spirit—Dove and George. The greatest praise that can be given Mr. Matthews is to say that he has swung the door a little wider through which we may catch a glimpse of the profoundest problems that can engage the intellect of mankind. And it is the same door that Dove and George unlocked for us. That he, any more than Dove or George, has wholly succeeded in the task he has set himself would be too much to say. But through an uneven performance he has made a great book.

J. D. M.

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#### THE STATE.

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This is a work by Franz Oppenheimer, of the University of Berlin, translated by John M. Gitterman, of the New York bar. It is a volume of 300 pages published by Bobbs-Merrill Company, of Indianapolis. It is a work of originality and scholarship, even though the writer permits himself to speak of the Japanese as "a mongol race," which there is every evidence to believe they are not, neither ethically, nor indeed intellectually by contact, as we sometimes assume.

The author's thesis is set forth on page 15: "What then is the State as a social concept? The State, completely in its genesis and almost completely during the first stages of its existence, is a social institution, forced by a victorious group of

men on a defeated group, with the sole purpose of regulating the dominion of the victorious group over the vanquished, and securing itself from revolt from within and attacks from without. Teleologically this had no other purpose than the exploitation of the vanquished by the victorious."

Following this explanation of the origin of the State, and rejecting the current theories which account for its origin, beginnings and development, the author traces the rise of the State from the pastoral, nomadic, feudal, maritime, to the perfected constitutional form in which we of today know it. And in the chapters treating of this development, while there are many conclusions at which we might stop to disagree, there are also many valuable reflections and citations of little known facts from the erudite fund of material at the author's command.

The State and Society represent to the writer's mind two very different organisms, the State standing for a higher species of union than that of the family group, but changing the golden age of the free community of blood relations to the iron rule of State dominion. "But the State by discovering labor in its proper sense starts in this world that force which alone can bring the golden age on a much higher plane of ethical relation and happiness for all." And he quotes Schiller's words: "The State destroys the untutored happiness of the people while they were children in order to bring them along a sad path of suffering to the conscious happiness of maturity." (Page 87).

He rejects with characteristic independence the explanation of every historic development from the qualities of "race," and shows the enormous ethnic amalgamations which have accompanied the progress of States, placing this indeed as the second distinctive mark in the rise of States, which leaves us in place of *race* differences *class* differences.

Perhaps the author over-emphasizes these class divisions. But he is a democrat, and believes the death of class distinctions will result from the process of development whose beginnings he has traced, and the law of which he believes he has discovered. This will take place when "the