

## BOOK REVIEWS.

## \*JEFFERSONIAN DEMOCRACY.

This book from the pen of Mr. John R. Dunlap, of the *Engineering Magazine*, of this city, is journalism. It is good journalism. But it is nothing more. It deals with data; it does not treat of explanations or solutions in any but a purely incidental fashion. It is true that the author has his solutions; and these he regards as very simple and easy, and indeed they are if we accept his very easy and simple and quite superficial analysis.

His remedy for corporate abuses is "publicity." Attaching as he does such superlative importance to this remedy it is to be feared that his optimism has slight foundation. To know that abuses exist is important, but who does not know it? In view of the largely prevailing public apathy on these questions, how can our author believe that publicity offers a permanent corrective? If all this abuse of power spring "through public franchises granted by the people" then no solution short of the restoration of these franchises to the people is adequate.

Yet our author will not consider "public ownership" of such franchises. He even attributes the failure of the Greek democracy to "government ownership."

Mr. Dunlap clearly sees that the monopoly of the Standard Oil Company is derived from its ownership of oil wells, railroads, and pipe lines. He places them in this order, yet it is clear that any one of these monopolies—land monopolies all—would suffice to give that Company powers of extortion. "The remedy," says Mr. Dunlap, "is to open the books." We must call the officials to account." Indeed, for what? For doing as they will to do with their own? And this watered stock of the great corporations founded upon monopoly—"upon which the people are heavily taxed to pay interest and dividends." Does it make any difference to the people who pay whether they pay to a smaller or larger number of stockholders, on a large or small capitalization? The powers of taxation in the hands of a monopoly are not determined by its capitalization; it is the extent of its monopoly that in the first place determines how much paper it can float. Stock watering is a symptom; it is not in itself the evil. Why, then, worry about it? If the publicity which Mr. Dunlap advocates as a remedy has taught our author only so much—for he is better informed on the details of these matters than after his publicity law had triumphed the average citizen could possibly be—how can we hope for any large results from the mere "opening of the books?"

Mr. Dunlap speaks of "the ardent reform-

ers of our time who are confused by theories of socialism and the single tax." "We must get back to first principles." "We must indeed, but we are more than confused—we are pitifully mystified—if we conceive with our author that tariff reform, a graduated income tax, and publicity of corporation accounts are solutions in accord with first principles.

Our author thinks that the law of eminent domain offers a solution of the land question. He would apply it to unused coal mines, when coal is sorely needed. "The application of the law of eminent domain to vacant and unused opportunities," he cries, triumphantly. Shall it be applied to every city lot, to every vacant farm? Can one picture even in imagination the confusion resulting from the operation of such an exercise of the law of eminent domain. Why he should think the single tax "impossible" after that, is a mystery; for if this is possible then nothing is impossible and nothing impracticable.

The best chapter is that on money. This, at least, will repay reading. Yet even here Mr. Dunlap attaches undue importance to the purely superficial aspect of the money question. Granted that "sound money" is necessary to continued prosperity, yet regardless of any monetary system, prosperity is determined by other and more fundamental causes. It is not the single taxer, but our author who is confused by the purely superficial aspects of his problem, for it is the single taxer who can tell him that so long as the earth owners exact tribute of industry—a tribute limited only by the earning capacity of labor and capital, and forever trenching upon their powers of endurance—there can be no real and lasting prosperity.

It is to be regretted that so little can be said in praise of this work, for Mr. Dunlap writes with much earnestness. If he could think as clearly as he feels keenly, and knew as much of first principles as he does of industrial and political history, his work would possess some significance.

J. D. M.

## \*GETTING A LIVING.

What Solomon really meant to say was "of making books without limit there is no end." Here is a work of 769 pages; it would make no difference if it were double or half that number; its limitations as to letter press are determined only by the writer's industry and powers of endurance. But there will not exist anywhere a reader who will peruse the book from beginning to end: such indefatigable powers are not to be discovered even in this much reading but little thinking age. The very dedication is a short chapter in itself, not bad, indeed, but full of the author's peculiar verbosity.

\*Jeffersonian Democracy, by John R. Dunlap. Published by the Jeffersonian Society, 120 Liberty Street, N. Y. City. Paper 50 cents; cloth \$1.50, 479 pp.

\*Getting a Living. The Problem of Wealth and Poverty, by George L. Bolen, 8vo 769 pp. The Macmillan Company, London and New York.

The writer however, is to be commended for one excellence; his writing is clear and his meaning rarely in doubt. In the university and professorial obscuring of truth so common in the books and economic quarterlies, this is no small merit.

At the very outset however, the author stumbles into the pitfall of erroneous division of the shares in the distribution of wealth. To the three shares going to the three factors, land, labor and capital, he adds another share to a fourth factor, which he calls "the employer's ability for managing and bearing risks," thus confusing wages with ability, and interest with risks, one clearly the share of labor, the other as clearly the share of capital. This of course is the socialist's figment of profit again dignified as a *factor*.

In his preface our author quotes from Professor J. B. Clark the statement that "society can largely realize illimitable well being when it learns better to comprehend and utilize economic forces having a promise not yet conceived by the mind of man." This is true; and one of these economic forces, chief of them all, indeed, is rent, which Mr. Bolen elsewhere defines as "a payment made to the owner for the use of land that could (can) be used without payment of rent." Yet a few pages on, he tells us that "The increment of land value, on the average, is well earned, and falls to the owner rightfully, and again, "the landlord does not as socialists and single taxers assert take, under the law of private ownership, a large share of the product of the laborer and employer without rendering any return to them or to society." Now the Ricardian law of rent, which our author accepts, and his own statement of that law, proves that the landowner does take such share without equivalent return. If not, what is the sense of the author's four factor division? If not, why speak of the share that goes to labor, the share that goes to capital, and another that goes to rent? If the labor and capital that do all the work do not get this other share, some portion of society that does not work must, *prima facie*, receive it. Land is a *passive* factor; those who control the passive factor contribute nothing to production, at least as controllers. If they do contribute it is as members of the other division, laborers or capitalists, and the return they then receive is not rent, but wages or interest, which is payment for doing something, or for permission to use something which their labor has already created, not rent, which, to restate our author's definition, is "payment for the use of land that is more desirable than other land that can be used without payment of rent."

The fact is, with all the nonsense written as political economy, the great body of now generally accepted definitions preclude, save by the most perverted ingenuity, any total obscuring of some, at least, of the funda-

mental truths. Mr. Bolen is not so ingenious; indeed, we acquit him of anything but an immeasurable incapacity to follow up his premises with conclusions that fit.

In the discussion on rent, and as to whether it does or does not enter into price, our author seems in doubt, for he argues both ways. The work, as far as we have read, is full of this "double shuffle." For example, it is said of Henry George that "he was socialistic in his grossly extravagant and untrue belief of the extent and increase of human misery under present conditions, and of the benefits to be secured by his plan." That is, he was socialistic in his pessimism and also in his optimism! Go to! Mr. Bolen is absolutely honest, otherwise he would not have introduced on pages 7 and 8 such a good description of how the single tax would operate, nor described in the note on page 21 (from an article written by the editor of the *Single Tax Review* in the *Independent* for September 11th, 1902) the many practical steps that have been taken to apply the teaching of Mr. George.

Our author states some awkward facts, but he has his own explanations of them. There is no land monopoly in America he says, and the increase of farm tenantry to a large extent is to be desired, being due to the rise of wage workers to independent farming, in which many pass from renting to owning! Ah, indeed! There are so many ways of explaining facts if one only wishes to. Let our author take now the figures that prove the increasing consolidation of land ownership throughout the country, the decrease in the number of independent farmers, and then examine this problem of the increase of farm tenantry in the light of these new figures.

But assuming his contention to be correct, for argument's sake, why express satisfaction? For if the condition of the farm laborer is all that can be desired, why is he to be congratulated when he passes to the condition of a tenant, and if ownership (sans mortgage) confers no advantage over that of tenantry why exult at the farmers passage from tenancy to ownership? We are considering land now, not improvements, and if ownership did not mean the exaction of tribute, as under rightful conditions it would not, then would there be no chance for either cavil or exultation, since tenant and owner would stand on the same equality.

Of course Mr. Bolen thinks the single tax robbery, and this in face of his definition of rent as "a payment made to the owner for the use of land that is more desirable than other land that can be used without payment of rent." And then he follows up the definition of the single tax as robbery by this characteristic "double shuffle:"

"Taking all the economic rent of land in taxation would practically be taking the land itself, since its value springs from rent or the worth of its use\*\*\* Of course, if

the state owned all the land it would get an enormous income in rent, with which, after abolishing all present taxation, it could do wonders for its citizens, in education and social betterment of every kind. But how could the state get possession of land now owned by private parties? To buy it would involve for purchase price and for interest on bonds, taxation that would be better for direct income than would the rent. Mr. George argues that land should simply be confiscated, etc." Why we should have to issue bonds to buy the land to take the rent is because (for Mr. Bolen proves it) we cannot take the rent without taking the land and paying for it, which would call for bonds and payment of interest, taxation that would be better for direct income than the rent! And this he clinches with the extraordinary statement that Mr. George argues that land should simply be confiscated. All this, of course, is confusion and not perfidy, for Mr. Bolen has elsewhere in the work stated the single tax with a great degree of fairness.

We are compelled now to leave Mr. Bolen. We have only reached 22 pages in this review; there are, it will be remembered, 769 pages; that the remainder is less valuable than what precedes it, is perhaps not a perfectly fair inference from the examples we have educed. Doubtless we may guess there is something of value hidden away between its leaves "thick as Valambrosa." It is perhaps not an unfair hazard. J. D. M.

#### \* "BISOCIALISM."

"Those persons who wish to change the present order of society particularly with regard to the distribution of wealth produced are divisible into two classes—those who disbelieve in government, and those who believe in some form of government; and these governmentalists are in turn divisible into "omnisocialists," who desire the socialization of all means of production and distribution, and "bisocialists," who would "limit the State to the socialization of but two things, viz., natural opportunities—represented by ground values—and public utilities." Thus the author of "Bisocialism" \* derives the term which gives title to his book, which is in essence a presentation of the political economy of the Single Tax, much in the manner of, and apparently intended as a challenge to, the modern school of writers who deal with economics and the production and exchange of values, rather than of wealth. The title is hardly a happy one, for not only can there be socialization of some other two things besides those chosen by the author, but there are exponents of the Single Tax philosophy who believe that if it were in

practice fully, there would be no "public utility value" at all.

The sub-title of the book, "The Reign of the Man at the Margin," expresses the trend of thought of the author, and also emphasizes the chief merit of the book—namely, the manner in which the effect of the "margin" is shown; not only as to the margin of cultivation, but also the margin in purchasing power and need, and in selling need, and the way in which the interplay of these forces under free competition and absence of monopoly (with the equalization of natural opportunities through the social taking of ground rent) brings about a state of the market in which both parties to an exchange are benefited.

The chapter on the "Marginal Pair," dealing with the marginal buyer (that is, the buyer who is least anxious to buy, and therefore in greatest need of inducement) and the marginal seller (who is least anxious to sell) is one of the best in the book. It shows how prices and values are determined in the market, and why by economic law the sellers are more anxious to sell than the buyers to buy—despite the fact that it is the buyer who is under ethical obligation for service rendered him, as Henry George pointed out. Chapter 8 on "measurable utility" explains another economic phenomena which does not receive enough consideration—that in an open market the buyer does not pay for an article the full value of the labor that he saves by buying it instead of producing it; of course the seller is also the buyer, and this "differential" value is the saving to human energy resulting from the sub-division of labor. It is an explanation in the "value" terminology of the mutual benefit of exchange.

But while Mr. Trowbridge is severe upon other economists in his chapter on value (IX), his definition, "value is simply measurable utility at the point of exchange" is open to criticism; for what is utility at the point of exchange measurable in, but in some other utility? and what is it in that case but relation, which the author denies it to be; as he likewise denies value to be exchange power, though that is only another way of calling it a relation? There are other definitions to which objection could be made if space permitted.

And it is to be wished that the author had heeded his admonition that the definitions of economic science "must be clothed in comprehensible language if this science is not wholly to lose its prestige." For unfortunately he has thought it necessary to invent a number of new terms. And while their meaning is fairly apparent from their construction, and he gives a definition of each one, the effect upon the reader is confusing; necessitating a continual mental translation into current terminology. The reviewer confesses that the tediousness of this process, coupled with a scarcity of available time, has prevented him in some

\* Bisocialism; *The Reign of the Man at the Margin*. By Oliver R. Trowbridge. Moody Publishing Co., New York City.