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Review

Reviewed Work(s): Our Irrational Distribution of Wealth. by Byron C. Mathews

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other essays are not more significant than the two already reviewed, being rather academic and general.

The author's style is most excellent, the book being very delightful from a literary standpoint. The argument lacks convincing power, being sometimes overburdened with qualifying phrases as for example "Popular feeling, a pretty serious fact in an immemorially democratic political society, expresses itself as if, with various degrees of wisdom and folly, the people in general were disposed, at least for the while, to believe the antagonism profound" (p. 102).

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Our Irrational Distribution of Wealth. By BYRON C. MATHEWS, PH.D. New York: Putnam, 1908. Pp. vi+195. \$1.25.

This little book is significant, because it is another excursion of a professional economist into the precincts of sociology. The thesis of the book is, that while there has been an enormous change in the methods and quantity of production, distribution has not changed, but is still on the old basis of manager taking the lion's share. The panacea for the ills of distribution is found in public ownership, and this thesis is argued interestingly in ten chapters: Introduction; The Sources of Wealth; Capital's Illegitimate Function the Key to Distribution; Basis of Distribution Wrong; Land-Rent, a Gratuity; Interest Makes No Discrimination; The Wage System, the Step from Legal into Economic Slavery; Profits, a Gratuity; The Second Distribution; Public Ownership the Source of Permanent Improvement. The following are the conclusions of Dr. Mathews:

1. The methods of business and the methods of producing wealth have been revolutionized. This necessitates a revolution also in the methods of distribution of wealth.

2. Land-rent, the return for the use of natural agents, as an agency of distribution, takes a portion out of social income and gives it under various names, such as rent interest, dividends, to landlords who do nothing for society in return for it. They secure it through private ownership of natural resources.

3. Land-rent is produced by the increase of population and the development of society. Resulting from social growth it ought to be devoted to social purposes, primarily to defraying the expenses of government.

4. Interest, paid for the use of capital, as an agency of distribution, takes a portion out of social income and gives it under various names, such as interest, dividends, rent, to the owners of capital, but it makes no discrimination between the man who has the moral right to his capital and the man who has no moral right to his capital. It makes no distinction between the man who earns and the man who inherits, between the man who produces and the man who steals.

5. Profits, secured in a field of competition, are a gratuity to those who get them; they may even be the spoils of robbery. Logically profits belong in the form of wages and salaries to those who perform all services in industrial operations, since they produce all wealth included in profits.

6. Wages, including salaries, paid as compensation for services in industrial operations, are utterly inadequate as an agency of distribution to determine the worker's share of social income. The wage system, originating in the worker's necessity, is only the step out of legal into economic slavery, making the workers dependent on the owners of the instruments of production for the very means of existence.

7. The present method of distribution produces two classes of social parasites, tramps and the idle rich, and reduces our wage-earning people to the condition of economic slaves by compelling them to contribute to the living of the owning classes before they are permitted to earn a living for themselves.

8. The "labor problem" is such a readjustment of the worker's relation to natural agents and all other instruments of production as will enable him to earn a living for himself without first being compelled to contribute to the living of landlords and capitalists.

9. Social income consists of values inhering in goods produced by deliberate effort of men and of values inhering in natural agents produced by social growth. Those who through labor or other sacrifice make contribution to the production of values have a right to a portion of such values. Those who make no such contribution have no right to any portion of such values, unless perchance they receive them as compensation for services they have performed for society or for individual members of society, and so receive them through "second distribution."

10. The highest right of ownership of goods and of values inhering in them is vested in the producer. The same thing cannot belong at the same time to both the man who produced it and to

the man who did not produce it. Rent, interest, and profits, as agencies of distribution, take the larger part of the values produced away from producers and give it to non-producers.

11. This social wrong cries out for correction. The source of permanent improvement lies in the direction of public ownership, which will transfer the power over distribution, which now rests with the individual owners of the means of production, to the hands of the people. Ownership is the key to distribution.

All of which is, as said above, a very interesting contribution of a professional economist to the sociological doctrine of the conflict of classes. The one-sided over-emphasis on the economic struggle is significant, because it once more furnishes silent, but potent evidence for the *raison d'être* of modern sociology as an academic discipline, and a factor in the intellectual life of society.

HUGO P. J. SELINGER

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Ein mittelbürgerliches Budget über einen zehnjährigen Zeitraum.
Nebst Anhang "Die Verteuerung der Lebenshaltung im
Lichte des Massenkonsums" von HENRIETTA FÜRTH.
Jena: Gustav Fischer, 1907.

The first and more unique part of this work can be presented best perhaps by a free translation of the author's introduction,

The household budget [she says] brings the economic life of the economic unit, the family, to the basis of figures.

Considerable attention has been given for some time to statistical studies including production, consumption, income expenditure, census, average number in families, religious connection, etc.

Attention was first paid, and properly so, to classes whose work was of uniform kind and whose mode of living was necessarily very much of the same type.

This monograph undertakes to do the same sort of work in a less explored field by studying a family of the middle class whose income puts the members upon a basis of plenty without superfluity but which appears to afford a special freedom from ordinary economic limitations.

It is also suggested that the study will take on an added interest, perhaps, from the fact that during the period of observation the father of the family changed his business from that of an indepen-