

for the inaugural "jamboree." Possibly the lower House may take a more statesmanlike view of the desirability of altering the constitution in this particular.

A petition, numerous signed, mainly by wealthy women, has been presented to President Roosevelt, complaining of the humiliating searchings for smuggled goods to which American tourists are subjected upon their return to their native land. The petition asks for no particular remedy, but the relief it seeks is evidently not to come through a repeal of the confiscatory tariff laws. If these laws were suspended with reference to cabin passengers, most of these ladies would doubtless be well satisfied. They are free traders as to their own property. But that position is unworthy and should command no sympathy. If the tariff system is to be kept up against people who can't afford to run over to Europe to buy "pauper goods," by all means let it be kept up against those also who can. Humiliating searches at customs frontiers are legitimate incidents of the customs system. Let them not be relaxed in severity. The way to get rid of bad laws is to enforce them strictly and impartially.

Republican opinion-makers ought to get together. Here is Senator Foraker telling his credulous copartisans, according to the Cleveland Press of January 15th, that "the flood of gold pouring into America from Europe is making America the greatest creditor nation on earth;" and within a week the Chicago Tribune (January 21) editorially informed its intelligent clientele that instead of bringing in gold our excessive exports are only being charged off against old debts abroad, of which there are still outstanding something like \$1,700,000,000. The truth is that Senator Foraker is egregiously and inexcusably in error. There is no flood of gold pouring into America from Europe. During the year just ended the flow of gold was the other way, the

excess of our gold exports being \$3,348,007, as shown by the treasury report for December. The Tribune also is wrong. Its supposition that we are paying off foreign indebtedness is without evidence. The only available evidence on the subject indicates that the volume of purchases of American securities since 1898 by foreigners exceeds the volume of sales of such securities by foreigners. We appear to be getting deeper into debt instead of getting farther out. While the Tribune is in an explanatory mood it ought to explain how we have got so deeply into debt to begin with. Considering that we have had a continuous "balance of trade in our favor" since 1875, aggregating thousands of millions, and that prior to that date, as far back as 1850, the "balance against us" (gold, silver and merchandise) amounted to less than \$500,000,000, is it not strange that we are now in debt to Europe \$1,700,000,000, the amount the Tribune acknowledges as still outstanding?

DEMOCRACY VS. SOCIALISM.

"Socialism" is an ambiguous term. It has been used with so little distinction, by its advocates as well as its adversaries, that many who call themselves socialists would doubtless resent the imputation that socialism is not democratic. Yet this is the fact. Socialism as a philosophy, a political movement, a "science," in contradistinction to socialism as a Utopian dream or a nebular agitation for social betterment, is distinctly undemocratic. Nor can, it save itself in that respect by referring everything to majorities of the working class, not even though its ideal of the disappearance of all other classes were realized. Majorities even of the working class, and though that were the only class, may invade individual prerogatives; and when they do they offend against the principles of democracy. Some affairs being common in their nature must be of necessity governed by majorities. This is the nearest known approximation to democracy in those matters. But the government of individual or private affairs by majorities is as undemo-

cratic as any aristocracy or oligarchy. To govern such affairs by "experts," as some kinds of socialists propose, is autocracy pure and simple. Socialism is undemocratic because it involves the subjection to public authority of private as distinguished from common affairs.

This subject has been dealt with recently in painstaking detail by a writer who is peculiarly well qualified for the task. We allude to Max Hirsch and his extremely able book, "Democracy versus Socialism."*

Mr. Hirsch is a prominent democrat of Australia. A single taxer, he is of course a radical free trader, and as such was a candidate in Victoria last winter for a seat in the Commonwealth parliament. Although defeated, he made so vigorous a canvass that the protectionists (the ministerial party) were compelled to withdraw their regular candidate in the midst of the campaign and to put forward in his place the most popular protectionist in Victoria, requiring him to resign another office for the purpose. Even then the majority against Mr. Hirsch was only 600 in a total vote of 6,600. That his strength in this canvass was not an accident due to the unorganized condition of the new Commonwealth is evident from the fact that he is the trusted statistician and political lieutenant of Mr. Reid, the federal free trade leader, in a country where politics have to do with principles more than with spoils.

Among the peculiar qualifications which Mr. Hirsch has brought to the task of writing his book is his thorough preparation as a student of modern economics in the German universities. But chief among them all, with the possible exception of his ability to marshal masses of information bearing upon the subject, and his lucid style as a writer, is his attitude of mind. Though he writes against the principles and proposals of socialism, he sympathizes with the humane aspirations of socialists; and though a single taxer, so enthusiastic that he dedicates his book to Henry George, he agrees in

*Democracy versus Socialism; a Critical Examination of Socialism as a Remedy for Social Injustice, and an Exposition of the Single Tax Doctrine." By Max Hirsch. Melbourne. London: Macmillan & Co., Limited; New York: The Macmillan Company. 1901. London price, 10s net.

his fundamental hypothesis not with George but with the socialists. Whereas George adopts "wealth" (substantial things produced by human labor) as the major term of political economy and the center of his thought, Hirsch subordinates "wealth" altogether, and, in common with the socialists, adopts for his major term and central idea the phenomenon of "value."

To us it seems that the subordination of the substantial thing "wealth," consisting of the consumable objects for which man makes of himself a laboring animal, and putting in its place as the major term of political economy the phenomenon of "value," which simply expresses wealth measurement, is substituting the incidental for the essential; or, at any rate, the secondary for the primary. It easily leads to a transformation of political economy from the practical and simple science which explains how mankind gets a living, into a labyrinth of metaphysical speculation. Untenable, however, as we are forced to regard the "value" theory of political economy, more than a passing allusion would be out of place here. For Mr. Hirsch, in accepting it, is quite in harmony with the socialists whom he refutes, as well as with the now dominant schools of "economics" in the universities.

The book opens with an outline of the economic conceptions of socialism. Quoting liberally and with evident fairness from representative socialists, Mr. Hirsch finds the economic ideal of socialism to be the substitution for industrial competition of collective ownership and management of all the land and of all the artificial means of production as well; while in its ethical conceptions it involves a denial of inherent human rights, the socialistic theory of rights being that they are derived from society and may justly be withdrawn by society. He argues also that this ethical conception rests not only upon the authority of socialistic writers, but that it is, in addition, a necessary inference from the socialist philosophy. It is the ethical basis, also, for the socialist contention that "not to the laborer who produces it, but to society collectively, belongs the

wealth which any man's labor produces, and that society has absolute and exclusive proprietary rights in all the produce of individual labor." Upon this conception, equality of industrial reward for labor is justified; which in turn necessitates compulsory labor—"some system of compelling idlers and malingers to work." From this necessity Mr. Hirsch infers the further necessity, in support of which he quotes socialist writers, of radically modifying the family relation, even to the extent of abandoning individual homes and transferring children to the care of organized society.

Following his outline of socialistic conceptions and their necessary correlations, Mr. Hirsch enters upon a systematic discussion of the subject in all its indicated bearings. His method is what is now known to economists as the "scientific" or inductive; and he holds very closely in theory to the "Austrian" school of economists, without, however, surrendering the democratic conceptions of natural rights.

Owing to the strictly inductive character of the work, it does not lend itself to brief condensation. For the same reason it offers a number of openings for adversaries. There are slips in minor argument here and there, which are likely to be tempting. But fairly considered as a whole, the book is one which socialists will find it difficult if not impossible to controvert with satisfaction to anybody—even to themselves. It is one, however, which they cannot afford to ignore. It meets them on their own ground. It exposes the unscientific character of their philosophy by their own inductive methods. Even with reference to natural rights as opposed to society-derived rights, it depends altogether upon the "scientific" method, never once falling back upon intuitional theories. And it drives them into corners, with reference both to their economic and their ethical conceptions, by exposing irreconcilable contradictions, not alone in the teachings of their writers but also in the essentials of their philosophy itself.

No one can rise from reading this book without realizing, or at least suspecting, that socialism and democracy are fundamentally hostile. This

will not, of course, prejudicially affect socialists who are undemocratic. Those who really believe that individuals have no industrial rights except such as society confers will see nothing disturbing in what Mr. Hirsch says. Essentially not democrats, but the reverse, it can make no difference to them whether socialism is hostile to democracy or not. But there are socialists who are democrats. They do not believe that the social organism is everything and the individual only an atom in the general structure. They do not believe that there are no natural rights. They do not believe that there is no natural justice. They are socialists because they think socialism a just scheme of human brotherhood. It attracts them especially because it looks to abolition of competition, they having a notion that competition and destructive conflict are necessarily convertible terms, whereas, competition, when unobstructed by monopolies, resembles emulation rather than conflict of any kind. Such socialists cannot read Mr. Hirsch without putting socialism on trial anew at the bar of their own intelligence. For Mr. Hirsch removes the benevolent mask from this really imperialistic conception of industry.

Nor is "Democracy versus Socialism" of value only for its minute exposure of the undemocratic character of socialism. It has, also, and in much the same manner, put the conclusions of the university cult in "economics" on trial. While adopting the primary hypothesis and the strictly inductive method of that cult, it carries the argument on to the very conclusion which the cult evades. The system of economics that has been regarded by the schools as having displaced the principles upon which the teachings of Henry George rest, is shown in this book, by a student and believer in the system, to lead on, when logically and faithfully followed, to the identical results which George reached by a shorter, a simpler, and as it seems to us a safer route. In other words, it demonstrates by the inductive or "scientific" method the soundness of the conclusions at which George arrived through the deductive or philosophical.