WILEY

Review

Author(s): C. F. Bastable

Review by: C. F. Bastable

Source: *The Economic Journal*, Vol. 7, No. 27 (Sep., 1897), pp. 409-411

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2957127>

Accessed: 27-06-2016 02:53 UTC

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at

<http://about.jstor.org/terms>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Wiley, Royal Economic Society are collaborating with JSTOR to digitize, preserve and extend access to *The Economic Journal*

The General Property Tax in California. By C. C. PLEHN, PH.D. (New York: Macmillan, 1897.)

IN this paper—one of the new series of “studies” issued by the American economic association—additional proof is given of the failure of the property tax as it exists in the American States. But Professor Plehn does not attribute the break-down to any defects in the law or in its administration. “The California tax law,” he tells us, “is one of the best property tax laws that has ever been written” (p. 149), and he adds, that his “impression drawn from an extensive acquaintance with the officials concerned with taxation in all parts of the State, is that they are generally honest, faithful and competent” (p. 150 *n.*). Nevertheless, exactly the same phenomena that have been noticed in other States reappear in California. Personal property for the most part escapes assessment. A diagram given by Professor Plehn shows clearly that while the real property returned has risen greatly in value, the personal property has been practically stationary for the last twenty years. (It is actually somewhat lower for 1895 than for 1875, 187 against 199 million dollars). There are, further, gross inequalities in the assessment of both real and personal property due partly to the variation in strictness on the part of assessors, and partly to the greater facilities for evasion that exist in respect to some forms of property.

The irresistible conclusion is, of course, that the property tax should be replaced by a fairer and more scientific system of imposts, but in common with most of his countrymen Professor Plehn seems hardly to give due weight to the effect that American Constitutional law has on the financial system. It is the sovereignty in fiscal matters of each State, taken together with the limited powers of the federal government, that makes it so difficult to devise an adequate set of arrangements. The greatest defects in the property tax are the facilities of escape for property held outside the State or existing in the form of obligations, and the liability to double taxation in various ways, and both are much increased by, if not chiefly owing to, the isolation of the States. Thus it would seem that a radical cure can only be found by more fundamental changes than opinion is at present ready to countenance, but some reform of the present crude attempts to tax property as such will probably follow from the many exposures of these evils made by tax commissions and writers of the standing of Professors Ely, Selman, and now, Professor Plehn.

C. F. BASTABLE

Essais Économiques. By NUMA DROZ. (Paris: Felix Alcan, 1896.)

THE most striking characteristic of this interesting work is probably the adoption by its author of the *international* standpoint. As becomes a Swiss statesman, he starts from the consideration of the interests of

his own country, but he does not hesitate to take a wider range. Like Cobden, with whose general doctrine he is in accord, he recognises the existence of moral duties incumbent on states, though they are not prescribed in the strict code of international law.

In the first group of essays dealing with tariff questions, the doctrine is set forth that customs duties should be arranged on a principle of mutual concession. The provisions of a tariff law ought to be discussed with other countries affected by it, and their interests taken into consideration. The account of the Franco-Swiss tariff war is instructive as showing the evils that follow from non-observance of this principle, and a proposal for "relative free trade" on the basis of duties limited to 10 per cent. is made (p. 75.)

In like manner labour questions, and especially the difficult problem of compensation to injured workmen, are treated by a comparative study of the existing laws and the chief proposals for change. M. Droz holds an even balance between the extreme claims of sentimentalists and the somewhat heartless tone adopted by opponents of all state action. To improve the condition of the working classes ought to be our aim, but reason must determine the best means (p. 236).

Another set of essays examines the new forms of property that have received recognition in the as yet incomplete agreements for international protection of copyrights, patents, trade-marks and designs. Switzerland, as M. Droz notes with pride, holds a special place in furthering this new development. Its peculiar situation and its liberal government enable it to do what other states could not successfully attempt. In this respect it performs a most important service to modern international society, and one which M. Droz has admirably set forth. The increasing relations between the different countries of the world will render this post more onerous and also more imperative in the future.

Curiously enough, the sole ground for criticism is supplied by this international attitude. By long dealing with questions of commercial diplomacy, M. Droz has, we believe, been led to place too much stress on the advantages of agreement and compromise. He very justly ascribes great merits to the system of commercial treaties, but he overlooks its disadvantages. High duties are too often introduced merely as weapons of diplomatic warfare in order to occupy a more favourable position for negotiation. As our author reminds us in a phrase suitable for Lord Salisbury, "*L'état qui n'a rien à concéder n'a rien à réclamer*" (p. 40). Hence, duties are imposed or threatened simply to be removed in exchange for similar removals on the other side, a method which too frequently brings about a war of tariffs if the bargaining parties are not sufficiently yielding. Besides, under this system the consumer's interest is completely overlooked.

The international treatment of labour problems, though not so much affected by this difficulty, is not altogether free from it. If a reform be really needed, it hardly requires international agreement to

make it so. If England had to wait for a general treaty before adopting the factory code, it would almost certainly be waiting still. Combination amongst nations is—M. Droz has shown—a prominent element in civilisation, but it must be added that even in the international sphere there is a place for individual action and example.

C. F. BASTABLE

Socialism and Catholicism. From the Italian of Count Edward Sordoni. By RICHARD JENERY-SHEE, of the Inner Temple. With a Preface by CARDINAL VAUGHAN. 343 pp. 8vo. (Longmans : London, New York, and Bombay. 1896.)

THIS translation of Count Sordoni's "Socialism and Catholicism" is vouched for by Cardinal Vaughan, in the preface, as "for English-speaking Catholics one of the best, if not the very best, handbook on the Social Question to be found in their language." As a statement of the attitude of the Roman Catholic Church towards the Social Question the book is interesting, otherwise the position taken by the author is a very usual one among critics of Socialism at the present day. Socialism is defined in an arbitrary manner; it follows from the definition that it is condemned; then other alternative remedies for social evils are suggested and recommended, in some cases it would seem, so slight are the reasons given, simply because they are alternative remedies. Trade Unions, Arbitration, Conciliation-Boards, Labour Committees, Guilds, Co-operative Societies, Workmen's Clubs, Patronage and Temperance Societies, Savings Banks, Assurance Societies, Pensions for Old Age, Sickness, Accidents and Slackness of Work, Profit-sharing, Credit Institutes, and the whole question of taxation, with many other reforms, are all considered in this volume; but the manner in which these subjects are dealt with is not sufficiently thorough or definite to be useful. For instance, in the two pages allotted to the Currency Question, the author advocates the restoration to "silver of that value in the international markets which through the past was not wrongly assigned to it," but he does not attempt to answer, nor does he even mention, the reasons which have been urged against such a measure.

It is curious that in a handbook for Catholics on the Social Question, no mention should be made of Christian Socialism at the present time or of Christian Communism at all times. Count Sordoni declares the aim of Socialism to be "the constitution of society, in such wise that in its very humblest functions it shall depend entirely on one sole atheistic authority, termed the State, which consequently enjoys unlimited power, whereby it may avail to infringe, and does in reality infringe, upon every law and right in order to limit, obstruct, and destroy individual property, attacking all its elements and all its developments; men themselves reduced to things, to movables, in the almighty grasp of the State." Between Communism, Socialism, Nihilism, and Anarchy, "divergence in reality does not exist—the only