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The Distribution of Ownership by Joseph Harding Underwood

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to which outsiders are parties. Registration in the Commercial Register has now taken the place of registration in the Bourse Registry. All persons or companies registered in the Commercial Register (excepting small traders), and certain other classes of persons and corporations (including retired traders and retired members of any Public Exchange), are now authorised dealers for the purposes of the Act. As all persons and companies who carry on business on a fairly large scale are necessarily inscribed in a commercial register, this means that every important trading firm or company is now included in the authorised dealers, and that only such persons are excluded who ought to abstain from speculative transactions. Time bargains on the Public Exchanges are, as a general rule, void as heretofore, unless both parties are authorised dealers; but an important modification arises as to time bargains in stocks, in the case of one of the parties being an authorised dealer and having obtained security for the performance of the bargain. In such a case the authorised dealer will in future be bound by the bargain; the other party will not be bound personally, but the security given by him will be operative.

It is generally hoped that the inconveniences created by the provisions of the Act of 1896 and the opportunities offered thereby to dishonest persons will now be obviated, without interference with the legitimate objects which that Act was intended to promote. Experience alone can prove whether this hope will be fulfilled. Perhaps in a few years Mr. Lescure, in a new edition of his book, will help us to examine the results of that experience.

ERNEST J. SCHUSTER

The Distribution of Ownership. By JOSEPH HARDING UNDERWOOD, Ph.D. (New York: The Columbia University Press. 1907. Pp. 219. Price \$1.50.)

THE title of this book is somewhat deceptive, as it leads the reader to expect an account of the division of property between different classes of owners, such as private individuals, partnerships, and incorporated companies on the one hand, and municipal corporations and the State on the other. As a matter of fact, such subjects are barely mentioned, and the largest part of the essay is devoted to a short review of the history of property from primitive times onward, and enters into the fields of political science and jurisprudence, rather than into that of economics.

Basing his account upon the leading authorities, Professor

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Underwood traces the historical development of the rights and the limitations of ownership of slaves, of land, and of corporate property on the continent of Europe, in England, and in the United States, his treatment of the last country naturally being the most detailed. In a long chapter on the limitations of corporate ownership in the United States, mention is made of such diverse subjects as the tendency in many industries for ownership to be concentrated in a few hands, the taxation of industrial corporations, factory legislation, trade unions, profit sharing, and co-operative societies. About a page is devoted to municipal trading. The author points out that in the United States somewhat more than one-half of the town water-supplies and one-fifth of the electric light systems were municipal property in 1902. On the other hand, municipal tramways are almost unknown, and it is by no means exceptional to find towns in which the sewers are owned by private persons.

The subjects of the control of trusts and the regulation of railroad companies are treated at somewhat greater length, but hardly receive as much attention as might be expected, in view of the fact that these questions are very real ones in the United States at the present time. For an English reader the most important point to grasp is the constitutional difficulties raised by these questions. According to the United States Constitution, companies incorporated in one State of the Union are entitled to carry on business in every other State of the Union, which renders ineffective almost all efforts to control trusts by State legislation. At the same time, the construction placed upon another clause of the United States Constitution by the Supreme Court is such that federal legislation dealing with trusts, as for example the "Anti-trust" Act of 1890, is practically powerless. The most successful step taken by the Federal authorities has probably been the establishment of the Bureau of Corporations to investigate the business methods of "trusts," about which complaints have been made. At the present time, reports dealing with the oil trade and the beef trade have been published, and inquiries are being made into the tobacco and the steel industries.

Both the Federal and the State Governments have recently devoted considerable attention to regulating the railroad companies. The central authorities, acting principally through the Inter-State Commerce Commission, have sought to stop the preferential rates granted to large customers, and the secret rebates which these customers frequently obtained to the detriment of their smaller competitors. The State authorities have given

special attention to passenger fares, and have often of late attempted to impose a maximum fare of two cents a mile, instead of the three or four cents usually charged. As in the case of the control of trusts, Federal and State authorities have found the United States Constitution a considerable obstacle to their efforts, but this may change in time, as the Supreme Court, which is charged with the interpretation of the Constitution, is not bound by precedents.

In the final chapter Dr. Underwood discusses the ethics of ownership, and expresses the hope that there may be some redistribution of ownership in the future, so that the poor man can reasonably look forward to possessing a little property, sufficient at least to mitigate the worst evils of poverty, and that at the same time more limits may be imposed upon the power attached to wealth.

At the end of the book there is a long list of the authorities consulted by the author when writing this essay, which testifies to the thoroughness with which the work has been done. The writer has brought together, within a reasonably small space, a lot of interesting material, but the value of the book would have been enhanced had there been a good index, in addition to the analytical table of contents.

DOUGLAS KNOOP

Railway Corporations as Public Servants. By H. S. Haines.
(The Macmillan Co. Pp. 226. Price 6s. 6d. net.)

THE public nature of the services rendered by railways has long been recognised, and supplies the basis for the arguments in favour of railway nationalisation. Mr. Haines, however, is no believer in the alleged benefits of State ownership. On the contrary, he holds that all, and more than all, the benefits derivable from State ownership can be obtained under a system depending on private enterprise combined with efficient State control. The State control of the past comes in for very severe criticism, Mr. Haines summing up his position in the words, "Let us then not legislate against the railroads, but for them." That the railroad legislation of the United States in particular has usually taken the form of attacks on the railroads, there can be no denying. In fact, it has been too frequently "panic" legislation.

Whilst we cannot always agree with Mr. Haines's conclusions, it is due to him to recognise the impartiality with which he has