WILEY

Review

Author(s): Leonard Darwin

Review by: Leonard Darwin

Source: *The Economic Journal*, Vol. 17, No. 66 (Jun., 1907), pp. 248-249

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2220673>

Accessed: 26-06-2016 08:51 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*

pound on increase of value would be bringing in three-quarters of a million for London in ten years' time.

This book does not refer to the idea not infrequently suggested by advocates of taxation of site-values, that ordinary beneficial rates ought, on merely business principles, to be levied on site-value. The discussion in the earlier chapters, however, disposes of the crudest fallacies.

Another defect is the rather too easy brushing over of the anomalies which would occur if the site-value taxation scheme were restricted, as the author seems to contemplate, to urban districts only.

The chapter on foreign and colonial experience summarises what information is available; hardly enough to be of very much assistance to us. The book must be pronounced a sober and useful contribution to the discussion, and it is to be hoped that legislators will read it.

C. F. BICKERDIKE

Municipal Control of Public Utilities. By O. L. POND. Columbia University Press. (London: P. S. King and Son. 1906. Pp. 115.)

THE sub-title of this work, "A Study of the attitude of our [United States] Courts towards the increase of the sphere of Municipal activity," correctly describes its scope, and it therefore contains little matter of economic interest. The Courts, it appears, "have not hesitated to voice the feeling that the trend of modern thought was favourable to municipal ownership and operations," and they may, in fact, not unjustly be described as partisans of municipal trade. It is, in these circumstances, somewhat unfortunate that the economic arguments involved appear not to be understood; nor does the author attempt to enlighten the judges. For example, municipal property is, generally speaking, exempt from local taxation, a state of things which is commended on the ground that such taxation would be an expense without any corresponding benefit, whilst the objections to it are not even hinted at. If municipal profit and loss accounts are to be taken as guides to the gains made by the cities in question, the accounts of municipal trades should obviously be debited with the taxes which would be paid by private companies managing similar works; and where the works are not assessed this can hardly be done. The profits made by a city in the United States by the municipalisation of an industry

within its borders may therefore be partly illusory. The distinction between onerous and beneficial taxation, moreover, does not appear to be appreciated. When a city municipalises an industry outside its borders, and when this industry is consequently freed from beneficial local taxation on the ground that it is a municipal property, the city buying the works does make an actual profit on the transaction at the expense of the citizens of a neighbouring locality, a profit which is by no means illusory. It is strange that the law which in most States thus rewards a city for establishing its municipal enterprises outside its own boundaries should be held to be so unquestionably sound. The arguments in favour of the granting of exclusive concessions to private proprietors operating municipal monopolies are also entirely ignored.

LEONARD DARWIN

The Socialist Library. III.—Studies in Socialism. By JEAN JAURÈS. Translated by MILDRED MINTURN. (London : Independent Labour Party, 1906. Pp. xviii. + 174.)

THE Socialist Library aims, *inter alia*, at doing "something to knit together the different sections of Socialist opinion and activity in this country," and to this end it would be difficult to find anything better adapted than are the studies by M. Jaurès included in the volume before us. These form, as the editor says, a treatise "in the nature of the forces that are making for Socialism, and their organisation by a Socialist political party." The opening essays deal briefly with the Socialist aim and its relation to the existing system of individualism, while the remainder of the book discusses with considerable fulness the problem of Socialist method under a *régime* of Parliamentary Government.

In its treatment of the existing situation, M. Jaurès' work leaves, it must be confessed, much to be desired. It is surely matter for surprise to find one so alive to the facts as our author shows himself to be when dealing with the question of method, still content to accept as satisfactory a classification of society which recognises only two great classes—the one the wage-earning, the proletariat, and the other the capitalist, the former of which can only live and exercise its faculties on condition that it pays a sort of tax to the latter. What is this proletariat? It appears from the sequel that it includes the wage-earning and salaried class. But in that case a more thorough diagnosis of the facts might perchance rob the antithesis between capitalist