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Clue to the Economic Labyrinth by Michael Fürsheim

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the economic *régime* of the past century, but M. Cauderlier has little difficulty in showing that the actual facts are quite the reverse of the facts of the Communist manifesto. Socialists, like other mortals, are liable to error, but in this famous instance, Marx appears to have been endued with an exceptional capacity in this respect. The good side of the nineteenth century, and the fact which should give us most hope for the twentieth, is the gradual but great improvement in the condition of the working classes. Much remains to be done, but the fact that so much has been done may make us optimistic for the future. When, however, we compare the relative progress of the labouring classes in England, Belgium, and France, we see that the rate of progress in the last has sadly lagged behind that in the first. Why is this? M. Cauderlier finds the answer in protection. Here, however, it must be confessed that his arguments are not so unimpeachable as his conclusion. Protection is not the sole difference between the countries under consideration, and therefore it cannot, without further inquiry, be assigned as the cause for their different rates of progress. Theoretical reasoning is required to show that protection is likely to have these results, and the facts may fortify the reasoning. It is a pity that M. Cauderlier did not develop his argument more fully, because inadequate arguments weaken a good cause. On the subject of alcoholism, M. Cauderlier is an expert. His picture of the growth and extent of alcoholism in France is an appalling one. We are accustomed to think of the drink problem in England as one of great magnitude, but the situation in France appears to be greatly worse than that in this country. M. Cauderlier attributes a great part of the industrial efficiency of America to the sobriety of the workmen. He points out that in France, in 1840, the consumption of alcohol was about 3 litres per head per annum, and that in 1900, this had risen to 14 litres; whereas, in the United States, the corresponding figure of 9½ litres in 1840 had sunk to 4¾ in 1900. M. Cauderlier appears to attach considerable value to prohibitive legislation, and disapproves of Messrs. Rowntree and Sherwell's arguments in this respect, but Rowntree and Sherwell admit that prohibition may be effective in rural districts, though they argue that, in fact, it is ineffectual in town. Whatever is the remedy, the evil of drink remains till that remedy be found, and if M. Cauderlier's conclusion, "*L'avenir est aux peuples sobres,*" is a true one, and it very well may be, the sooner this fact is realised by the governing classes the better it will be.

C. P. SANGER

Clue to the Economic Labyrinth. By MICHAEL FÜRSCHHEIM.
(London : Swan Sonnenschein & Co., Ltd. Undated.)

WHO is the Modern Ariadne? A partial answer to this question may be obtained from the pages of this book. Mr. Fürsheim was not born in Würtemberg (p. 486); he does not wear high cylinder hats,

thinking them nearly the most ridiculous headgear that ever existed, yet if one of his friends chooses to make a guy of himself Mr. Fürsheim considers that is his business and not Mr. Fürsheim's (p. 487); in the beginning of the sixties he often had to sort five-franc pieces (p. 143); he has received letters from the late Mr. Henry George dated the 28th August, 1890. the 21st September, 1888 (p. 16); he is the founder of the New Zealand Commercial Exchange Company, Limited (p. 400); he knows what is behind the scenes, for during forty years he has been an initiated member of Mercury's Limited Stock Company called the Commercial Community (p. 383); in the year 1895 he wrote a Utopia, *The Real History of Money Island*, in which the concluding chapter made an appeal to England beginning "The cock crows. The night is over" (p. 544).

From these and other indications the reader is enabled to get a considerable notion of the personality of the author. His language is at times luxurious, the large type headings to his paragraphs are always tiresome, his prejudice against political economists is not inconsiderable, his thread is somewhat tangled and knotted, and finally his labyrinth is partly of his own making; whether the object of the book is to indicate to a modern Theseus how to get at and kill a Minotaur, or to destroy the labyrinth, is not perfectly clear; but the general upshot of Mr. Fürsheim's book is (to come to plain words) that it is necessary to nationalise land and demonetise the precious metals before true economic progress can exist. These two ideas are developed with some skill and kept before the reader with persistency, but as Mr. Fürsheim does not claim originality for his ideas, the function of the critic might be restricted to criticising the way in which they are presented, but it requires self-restraint to overlook the kernel and discuss the shell.

The existence of economic rent is a palpable fact of everyday life; under the modern system of private property such rent (which absorbs perhaps more than one-tenth of the national dividend in the United Kingdom) is owned by individuals. It has been called into existence not by the special efforts of these individuals but by the growth and activity of the community and the law of diminishing returns. Why then does not the community take this rent? To do so would encourage or certainly could not discourage production; the community needs money, for in most countries taxes are a severe burden. The answer is, vested interests, and the importance of regarding private property as sacred. Consequently we find two schools of land reformers—the land nationalisers, who wish to take the land and give compensation, and the single taxers, who wish that a portion (or a whole) of the taxes should be levied upon land values. But these schools appear to bear a theological hatred to one another. Mr. Fürsheim's book is calculated to annoy single taxers.

Currency reform is a favourite and dangerous panacea. Mr.

Fürsheim's view is that "a perfect standard of value for money is reached when the average price of merchandise does not vary, and this can only be obtained when the quantity of the money supply in the market adapts itself to the demands of the market, where at once more money appears when prices tend to go down, and disappears when the tendency is in an upward direction." A paper money could be supplied in the right quantities, thinks Mr. Fürsheim, but in fact there has been a tendency in many countries which possess a paper currency for the paper to become over abundant. A scientific paper currency might be possible, but the practical difficulties are very great and the benefits obtained would be small. The risk is too great. Perhaps a scheme like that of M. Walras for regulating the quantity of token money is feasible and beneficial; at any rate it deserves consideration, and it is surprising to find that Mr. Fürsheim makes no reference to M. Walras's scheme. Perhaps Mr. Fürsheim considers M. Walras to be one of those theory mongers who "have managed to stultify themselves and the trusting public, which, though it does not understand their meaning, estimates their depth by their abstruseness" (p. 224).

There is a third subject on which Mr. Fürsheim's opinions deserve examination. He believes in protection or reciprocity. Protection does two things; it impedes the course of trade and corrupts political life. There may exist theoretical cases in which protection is beneficial, but it is doubtful whether any actual case can be quoted in which it has not been disadvantageous to the mass of the community and degrading to its political life. Discussions about the balance of trade are interesting, but they afford persons great opportunities for making themselves ridiculous. If when Mr. Seddon makes a foolish speech we could laugh at the joke, and when we have stopped laughing could go on as before, little harm would be done; but these views about the balance of trade are used by interested persons for the purpose of exploiting the community. Mr. Fürsheim should not lend himself to preaching reciprocity and talking about dumping grounds. But enough has been said about Mr. Fürsheim. Were he serious he would have taken the pains to write a carefully reasoned book; but he is a poor jester and does not furnish his book with an index.

C. P. SANGER

Die Kartellfrage in Theorie und Praxis. Von F. VON ROTTENBURG. (Leipzig: Duncker und Humblot. 1903. M. 1.80. 8vo, pp. x, 89.)

THIS "open letter to Kommerzienrat Julius Vorster, member of the House of Deputies," throws some interesting sidelights on the attitude of the German manufacturing classes to social reform. Dr. von No. 51.—VOL. XIII.

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