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Review

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Source: *The Economic Journal*, Vol. 20, No. 80 (Dec., 1910), pp. 579-581

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221705>

Accessed: 26-06-2016 18:41 UTC

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The Economic Journal

how fertile the proposed arrangement would be in suspicion and ill-feeling. To many a trade union secretary the mere recognition of those who must in his eyes continue to be outsiders, as in any sense partial members, in virtue simply of their contributions to the insurance fund, would seem exceedingly dangerous—*pessimum exemplum*: he will not want to do anything that suggests that refraining from subscribing to trade purposes is a legitimate or tolerable state of mind: he could only consent to have anything to do with such an arrangement in the hope of using it to bring in the outsiders. Moreover, one reason why many men remain outside the unions is that they are accepting, or want to be free to accept, less than the union rate of wages; and we can hardly expect stalwart unionists to settle down into amicable co-operation with “blacklegs.”

It should be noticed that in the country which has given the world the “Ghent plan” of State assistance to unemployed insurance by means of subsidies to trade unions, “the various attempts to confer similar benefits upon workpeople not belonging to trade unions have not produced any but the most insignificant results.” This, at any rate, was Mr. Schloss’s report concerning Belgium early in 1909. And it is exceedingly doubtful whether the Danish provision (enabling persons to join the insurance fund of a union while remaining outside for other purposes), which Mr. Jackson would have us copy, is really going to be effective even in that country. The law came into operation in August, 1907; yet Mr. Schloss was informed, sixteen months later, by a high statistical authority in Denmark, “that it must be assumed the members of the unemployment funds which had” up to that time “received official recognition were *all* trade unionists.” Mr. Schloss is referred to by Mr. Jackson as expressing the view, “after exhaustive investigation,” that “the Danish fund is on the right lines.” But it is significant that Mr. Schloss takes care to express no view of his own as to the practicability of this feature of the Danish law: “it remains to be seen,” is his cautious phrase. And it is still more significant that in his final chapter of Conclusions he passes over the point in complete silence.

W. J. ASHLEY

National and Local Finance. By J. WATSON GRICE. (London: P. S. King and Son. 1910. Pp. xxiv+404.)

THIS study of the development of financial relations between central and local authorities in England, France, Belgium, and

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Prussia is of special interest at the present time in view of the promise of the Government to undertake next session the re-organisation of the system of Exchequer contributions. The history of our grants has been so frequently told, and their absurdities so thoroughly exposed, by economists and administrators, that we scarcely expect to find anything new in the third of the volume devoted to England. It gives, however, a clear and concise critical account of the grants which serves admirably as an introduction to this very complicated subject.

On the other hand, singularly little information has hitherto been available to English readers regarding the financial relations of central and local bodies in other European countries, and Mr. Watson Grice's able and thoughtful description of the systems which prevail in France, Belgium, and Prussia deserves to be recommended to all students of public finance. An explanation of the apportionment of financial burdens among the different authorities in these countries presupposes a general acquaintance with the functions and powers of the local bodies, as well as with the amount of central administrative control over them, and upon each of these points the author tells us quite sufficient for the purpose without going into great detail. In regard to finance, his method of treatment is much fuller; the special local imposts, the central taxes to which local additions are made, the transfer of taxes from the central to the local bodies, the financial relations between the larger and smaller authorities, and the schemes of central subventions to particular services, are all treated with a lucidity which can be appreciated only by those who have tried to obtain similar information for themselves.

Although for the most part the author devotes himself to explaining the changes which have been made during the past century in the countries under review, he finds occasion in the last few chapters, when dealing in general terms with the resources of local authorities and the divisions of responsibility for national and local services, for some expressions of opinion upon suggested amendments to the English system. The proposal to allow local authorities to levy additions to the income tax in the manner adopted in Prussia does not commend itself to him. The Prussian tax is not liable to such frequent alterations as ours; it is more highly graded; it is less in amount for central purposes; it is not very largely levied at the source; compulsory declaration is carried much further; incomes over nine hundred marks are taxed, and the communes may commence still lower; perplexing problems arise in localising income, and local varia-

tions of income tax additions lead to migration of the wealthier persons. On the whole, therefore, while granting that the system works out with considerable satisfaction in Prussia, Mr. Grice thinks that here it "would probably not work well either from the point of view of the individual, or of justice as between the local authorities." Very little can be expected, too, from the transfer of particular taxes from the national to the local authorities, and so the author is concerned to lay down some general principles which should govern the administration of grants-in-aid. Most of these are sound, if somewhat familiar, suggestions towards reform. The first, that "grants should only be given to services in which the general interest is predominant," appears to conflict with some remarks in the preface by Mr. Sidney Webb, where he urges that there is no service in which the community as a whole has not an interest, and therefore a duty, to prescribe a "national minimum," and to use the expedient of grants for that purpose. The presence of a general interest, and not its predominance, seems to be sufficient in Mr. Webb's view to justify resort to grants, though he would vary the amount according as the interest of the community as a whole is more or less important. That they should be conditional on efficiency, so arranged as to minimise the inequalities between districts in respect of loco-national burdens, and should not be given to objects which directly and obviously raise the value of fixed property in any locality, will be generally agreed. But when Mr. Grice adds that, subject to the fulfilment of the foregoing conditions, "the grants should, as far as possible, and in view of all the circumstances, for financial and administrative reasons, be kept at the lowest proportion necessary to achieve all the purposes of grants-in-aid," we wonder whether to consider it a truism or an error. Certainly if all the purposes of grants are achieved, nothing remains to be said in criticism of the amount, but we are inclined to urge that for some services the grants should not only be arranged with a view to minimising inequalities between districts, but should be as high as possible, the limit for both purposes being that the spending authorities must have every motive for reasonable economy. How high a proportion of the cost of education or of poor relief that may be, depends upon administrative questions, the methods of the grants, and the degree of central control. Possibly the difference between us is mainly one of emphasis, but in our view Mr. Grice does not sufficiently appreciate the desirability of removing certain burdens from the locality to the fullest extent permitted by considerations of economical administration.

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