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Review

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tendency. It was a remark of Mill's—to whom by the way we think that Dr. Smart renders hard justice when he affirms that he had at least three laws of value—that the 'smallest error' on the subject of value 'infects with corresponding error all our other conclusions, and anything vague or misty in our conception of it creates confusion and uncertainty in everything else.' If Mill himself did not attain to the finality for which he hoped on this subject, we cannot help feeling that the Austrian school, with their elaborate apparatus of imputed value, have failed to avoid the mistiness and vagueness of which he spoke, and that their zealous and able disciple, Dr. Smart, has not been successful in these valuable and interesting *Studies* in escaping the uncertainty and confusion which are described by Mill as the natural consequence. He will, we are sure, pardon us for dwelling at length on the point, for he expresses in his preface his agreement with the 'fundamental doctrine of the Austrian school that the theory of value is the beginning of economic science.' We concur in this opinion, but we do not believe that that school has provided the complete and accurate statement of the theory, and for this reason our appreciation of the many merits of Dr. Smart's *Studies* is mingled with inevitable dissent from some of his most important assumptions. We have expressed this dissent with a candour which he would be the first to approve.

L. L. PRICE

*Essays in Taxation.* By EDWIN R. A. SELIGMAN. (New York : Macmillan and Co. 1895.)

THE external critic, who, ignorant of the inner history of Economics, has regarded it as an unprogressive science, would find himself confronted in these *Essays* with repeated and conclusive confutation of his erroneous conception. As the author remarks, 'not only the actual forms of taxation, but the theories of taxation as well, vary with the economic basis of society.' Even the student, who has contented himself with such fragmentary and incidental discussions of the topics here treated as were until recently alone accessible in English economic literature, might well be amazed at the subtlety, variety, and difficulty of the issues raised and discussed. The reproach to English economists, which we have just indicated, has indeed been lately removed by the publication of Professor Bastable's *Public Finance*, to which, in the comprehensive survey of 'Recent European Literature in Taxation' contained in his twelfth chapter, Professor Seligman pays an ample, but discriminating, tribute of praise. In the course of that chapter he observes instructively that one reason for the comparative absence of systematic treatment of taxation by English writers is found in the comparative superiority of English practice. The politician will note with interest that so acute and detached a critic, discussing the question from a purely scientific standpoint, considers that the Budget of 1894 may be

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taken as affording fresh evidence of the leading position of England in the matter of fiscal reform, and that, in consequence of the part played in the accomplishment of these changes, the 'name of Sir Vernon Harcourt, it may safely be affirmed, will hereafter be indissolubly linked in the annals of British finance with those of Peel and Gladstone.' Such is the deliberate verdict of an impartial observer, who considers that England is but pointing the way for other nations to follow, in extending the inheritance tax, in introducing the progressive principle, and in increasing the untaxed minimum of subsistence, and that she herself is obeying the inevitable trend of events in endeavouring to distribute the weight of taxation more justly among the different classes of the community.

Of the importance of this opinion, coming from such a critic, no one, who studies these Essays with care, can feel any doubt. For the ability and knowledge, with which Professor Seligman is equipped, are beyond dispute. The chapter, to which we have already referred, betrays a familiarity with foreign literature which, we imagine, can hardly be rivalled. The chapter on 'Recent Reforms in Taxation,' in which Professor Seligman deals especially with England, New Zealand, Holland and Prussia, exhibits an intimate acquaintance with the facts of fiscal practice. And these chapters are but conspicuous examples of qualities which are displayed throughout the essays. Nor, it need hardly be added, is the author's mastery of the complicated incidents of the somewhat crude taxation of his own country less complete. We can hardly suppose it possible that any change of serious significance or detail of great importance could escape the vigilant scrutiny of Professor Seligman; and yet he does not allow the stores of his erudition to encumber his reasoning. He is continuously seeking for the lesson, which the facts contain, and he uses them to illuminate, and not to obscure. His readers may feel tolerably confident that he will not mislead; but they are no less firmly assured that he will not desert them. Too many authors, in their anxiety to avoid the first of these dangers, fall unwittingly into the second; and the student owes a special debt of gratitude to writers, like Professor Seligman, who, while careful to ascertain and to present the facts, are able also to bring out their meaning with lucidity and emphasis.

Were it not indeed for this manifest width of erudition, and this illuminative faculty, we might be disposed to question sometimes the authoritative manner, in which Professor Seligman pronounces his opinion on the contributions made to the discussion of taxation in his own and in foreign countries. We should otherwise be inclined to doubt whether it is prudent or possible to declare so definitely that all previous treatment of many of the points raised in the essays has been entirely erroneous or obviously inadequate; and we might suspect undue, though not unnatural, partiality towards the work of favourite pupils, when in at least two cases Professor Seligman affirms that they have produced treatises on particular phases of taxation, which are

bound to be recognised as the classical treatment of these questions. We cannot but think that sometimes the judgments delivered may partake too largely of an *ex cathedra* character, and that, along with much generous eulogy and just criticism, there is sometimes too evident a disposition to claim exclusive possession of the truth, which, however seductive—and we freely admit that the temptation is great to one who feels himself a discoverer of what has been previously neglected—should only be cautiously encouraged. But we confess that this is the opinion of a comparative outsider, who cannot pretend to a fraction of the special knowledge possessed by the author of these essays, and that, if he is right in thinking that Professor Seligman on occasions errs by excess, the extravagance is born of jealousy for the maintenance of the truth, of ardour for the advance of intelligent and exact study, and of zeal for the removal of error, which is not the less noxious because it may be persistent.

With many of the criticisms and contentions of the essays we find ourselves in complete accord. The chapter, for example, on the proper 'classification of public revenues' appears to us both lucid and convincing, and the plea, contained therein, for the assignment of a distinct place to *fees*, though it conflicts with the opinion of some other writers, seems to be justified by considerations of clearness of reasoning, and is undoubtedly supported by skilful arguments. The determination of the line dividing a *price* from a *fee*, a *fee* from a *special assessment*, and a *special assessment* from a *tax* is, we believe, accurately drawn, and the distinctions are suited to assist firm apprehension and to promote consistent reasoning. We give in its entirety the final classification, which Professor Seligman adopts. It is thus arranged :—

1. Special benefit the exclusive consideration.	Public purpose incidental.	Quasi-private Price.
2. Less special benefit although still preponderant.	Public purpose of some importance.	Public Price.
3. Special benefit measurable.	Public purpose of still greater importance.	Fee.
4. Special benefit still assumed.	Public purpose the controlling consideration.	Special Assessment.
5. Special benefit only an incidental result.	Public purpose the exclusive consideration—principle of faculty or ability.	Tax.

The term *special assessment* employed in this classification is not familiar to English students; but, as Professor Seligman points out, the idea was originally recognised by English law and practice, was adopted in the United States, where it occupies a position of traditional and unquestioned acceptance, and has recently been reintroduced into its original birthplace under the new name of *betterment*. English readers will perhaps be surprised to learn that this is not the name by

which the principle is known in America, and they may derive no little instruction from Professor Seligman's discussion of the question in his eleventh chapter. Especially perhaps will they be interested in his suggestive observation that the difficulty of carrying the principle into practice in England is enhanced because, in contrast with the position in the United States, 'it implies not only a change in the principle of charge, but also a change in the method of assessment : ' for the owner of the land, who, in England, unlike America, does not directly pay local taxes, is to be directly assessed. Of the inherent justice of the principle, as of its essential distinction on grounds of definiteness from the vague ambitious proposals to appropriate the unearned increment for the benefit of the State, we have ourselves always felt, since the discussion first originated in this country, that little real doubt could be entertained. Professor Seligman's arguments have confirmed us in this opinion. In an earlier essay contained in the same volume, on the 'Single Tax,' he combats with great dexterity, with a multiplicity and freshness of resource, and, as it seems to us, with undoubted success, the arguments of land nationalisers, such as Mr. Henry George, and in this chapter he repeats again the assertion, which rests alike on abstract reasoning and on concrete fact, that the system of special assessments 'embodies the kernel of truth in the unearned increment doctrine.'

The whole book is of course primarily intended for American readers, and about half of the essays are reprints from American scientific periodicals. The discussions, in Chapter II. of the General Property Tax, in Chapters VI., VII., and VIII., of the Taxation of Corporations, and in Chapter XIII. of American Reports on Taxation, contain a mass of information gathered from American sources, and are interesting to the Englishman more because of the sidelights, which they throw on English problems of taxation, than on account of any direct illumination. Professor Seligman indeed illustrates his arguments in these chapters from the experience of other nations, and, as we remarked before, he never loses sight of the bearing of theory on fact and of fact on theory. Many interesting and suggestive points of theoretic and general importance occur in the discussion, and, apart from the advantages, now generally admitted, of the comparative methods of study, no little instruction may be derived from the mode in which apparently foreign issues are handled by such a master of his subject. In the treatment of the General Property Tax—that crude and ineffectual survival of a tax discarded by other countries—Professor Seligman is led to review the history of taxation, and to supplement the account given in his opening chapter on the Development of Taxation. In the long discussion of the Taxation of Corporations, he similarly raises again those subtle and complicated questions of Double Taxation, which he has disentangled with such dexterity in his fourth chapter. It is true that even such questions have more immediate interest for a nation living under a federal constitution like that of America, with the continual

difficulties arising between the fiscal interests of contiguous states, and that the German Empire and the Swiss Republic present a nearer counterpart to American conditions than the United Kingdom. But, as Professor Seligman points out, double taxation may occur in municipal and local as well as in state finance, and the development of local administration forces it into ever increasing prominence. The question also involves of necessity problems of incidence difficult to determine, which show how needful it is to replace the older and simpler theories of incidence found in earlier writers by more accurate and comprehensive conceptions suited to a more elaborate and intricate arrangement of facts.

We may therefore meet with an affirmative and grateful response to the hope expressed by Professor Seligman in his Preface that, although his essays were 'written primarily from the American point of view,' 'the discussions of theory' which they contain, 'may prove to be of wider interest.' With no less confidence, and with equal gratitude, we may affirm that, 'though necessarily disconnected,' they 'are not lacking in continuity or unworthy of the more permanent form which they now assume.'

L. L. PRICE

*Statistics and Sociology.* By RICHMOND MAYO-SMITH. (New York: Macmillan and Co. 1895.)

THE scope and purpose of this book are briefly explained by the author in the Preface. The present volume, Professor Mayo-Smith remarks, forms the first part of a 'Systematic Science of Statistics,' and is 'intended to cover what is ordinarily termed Population Statistics.' In a second and concluding part on 'Statistics and Economics' he proposes to deal with the statistics of 'commerce, trade, finance, and economic social life generally.' Of the value of such an undertaking, if ably executed, as little doubt can be entertained as of the qualifications of Professor Mayo-Smith for its competent performance. To the present opportuneness of the volume now before us he furnishes indisputable testimony. As he observes, 'the results of the great censuses of 1890 and 1891 in the United States, England, Scotland, Ireland, Germany, France, Austria, and India, are now available'; and 'these data will not be superseded for at least ten years, nor is it probable that the next enumerations will be any more extensive or of greater sociological interest.' The difficulty, indeed, of dealing with the material now available for such an enterprise as is essayed in a systematic science of statistics, so far at least as the instalment comprised in the present volume is concerned, lies not so much in its paucity as its abundance. On certain points, like the vital statistics of the United States, the information is at present very defective, as Professor Mayo-Smith points out more than once; and on others, such as international comparisons of the amount