

THE AMERICAN ECONOMIC ASSOCIATION.

DETROIT, December 31, 1900.

Detroit's reputation as the "Convention City" was in no wise lessened last week when the American Historical and the American Economic Associations, after a year of separation, again met in joint session in that place. All of the many details, both business and social, in the arrangements for the meetings had been carefully planned, and were admirably executed. The attendance was large, with a noticeable preponderance of Western over Eastern representation. Besides the problem of distance which rapid transportation has not wholly solved, the time of year in which the meetings are held serves to diminish the numbers present. Yet, after considerable discussion, both associations have decided to meet at the same time in 1901, as it seems impossible to find any other date when an attendance so nearly representative can be secured. It is to be hoped that the movement towards the establishment of a uniform convention week may in the near future be productive of results.

The meetings of the Economic Association were again, as they have been for many years, devoted almost exclusively to practical questions, only one paper, of thirty minutes' length, being concerned with economic theory. The first session of this, the thirteenth annual meeting, on Thursday morning, December 27, was occupied with the consideration of the taxation of quasi-public corporations. Dr. Frederic C. Howe of Cleveland opened the discussion with a searching analysis of State laws and Supreme Court decisions relating to the taxation of this form of corporations. The search revealed no fundamental plan or principle in the laws of States and localities, but rather a decided confusion, arising from the restrictions of courts and the conflicts of jurisdiction in matters of interstate traffic. The tendency in recent years has been away from the taxation of gross earnings, and back to the earlier plan of taxation of property; but instead of basing valuation upon inventory, it has been found more equitable to derive it from stocks and bonds. This plan has the advantages of being approved by the United States courts, of treating the corporations as entities, and of adopting for the valuation of corporations the estimate of the commercial world by adding to the market value of stocks the par value of bonds.

Mr. Frederick N. Judson followed with an able paper, which possessed added interest by reason of the fact that it combined the results of his researches as a student with his practical experience in corporation law. After noting that the Supreme Court has established through decisions the rule that the value of a railroad in the State for taxation means the part within the State of the value of the entire road, and that, as a means of determining this State value, the mileage apportionment rule has been approved, he discussed the theoretical and practical difficulties that inhere in the taxes on gross earnings and on value, and advocated a tax on net earnings, or the establishment of a definite standard of taxable value by the capitalization of the net revenues under the mileage rule. This should be the sole corporation tax, and foreign bondholders as well as stockholders should be exempt from tax-

ation. The evils of a lowered national conscience under the present system more than offset any gain in revenue secured. The discussion brought clearly into view the close relationship between the taxing question and the more fundamental one of corporation control, and likewise the fact, adduced by Professor Seligman, that reform must be sought in a complete divorce of State and local assessments, and that, in the nature of the case, a reform cannot be accomplished piecemeal, but, to be successful, must be comprehensive. In the papers read and the subsequent discussion, the legal element predominated over the professorial, which may in part account for the practical trend of the discussion; but it was noticeable that, in general, lawyers and economists were in agreement as to ways and means, and that the most radical suggestion made at all, that quasi-public corporations should be relieved from taxation, on the ground that, inasmuch as the State can control their rates of charge, any tax imposed would be either unjust or absurd, was offered by a practising lawyer of Chicago.

The Thursday evening session was given up to the annual addresses to the two associations. President Ely of the Economic Association presented a scholarly paper upon the subject, "Competition, its Nature, its Permanency, and its Beneficence." He exhibited the sharp contrast in the utterances of popular economic literature on the subject of competition—views so contradictory as to admit apparently of no reconciliation—and urged a more exact definition of terms, which might possibly bring the disputants to an agreement. It must be recognized that the struggle of conflicting interests has certain limits fixed by the social order. The doctrine of evolution, when applied to man, materially modifies our conception of this economic struggle. "Primitive competition includes a narrow circle of association, and, beyond that, slaughter for economic advantage. With social evolution, slaughter gradually recedes into the background and falls below competition into the region of crime," and since the beginning of the present century the elevation of the plane of competition has kept pace with the rapidity of social evolution. Growing association among men has enlarged the competitive group, and its enlargement has been attended by increased generosity, benevolence, altruism. Competition comes increasingly to mean worthy struggle, and one of the tests to be applied to proposed measures of social betterment is whether it strengthens the individual and the group competitively. Competition is to be regarded, then, as a permanent social feature. Combination can be permitted only so long as it does not destroy the effectiveness of this permanent principle. If monopoly ensues, competition must be restored, and when this is not possible, the ends of competition must be secured by a social control. "If these methods of social control in some cases mean public ownership and management of industries, a place must be opened for the competitive principle in the terms of admission to public employment." Two somewhat antagonistic lines of evolution appear in the consideration of this problem; the first, one of the most powerful movements of the century, is that which looks toward real equality of opportunity in economic competition; the other is found in the construction of

the economic-judicial institutions of society, such as private property, inheritance of property, and vested interests. The first must not go so far as to undermine the second. "In the mutual adjustments of these two lines of evolution, . . . we have given us one of the weightiest and at the same time most delicate tasks of the twentieth century."

On Friday the two associations were taken by special train to Ann Arbor as the guests of the University of Michigan. The joint session in the morning was devoted to the History and Problems of Colonization, and the uniformly high character of the papers, together with the nature of the problems discussed, made this doubtless the most interesting session of the week. The keynote of the morning's discussion was to be found in the insistence upon the idea that a colonial administrative policy, to be successful, must be based upon thorough study of the natives themselves, and upon the experience of other nations in colonial government, and not upon an exaggerated idea of the importance of the religion, customs, and laws of the home country. This was evident in the paper of Professor Reinsch of the University of Wisconsin, entitled "British and French Experiments with Representative Government in the West Indies." A detailed study of experiments in Martinique compelled the conclusion that France had failed because of that same policy of assimilation which had caused Spain's downfall. France is at present recognizing these earlier mistakes, and coming to appreciate the efficacy of a colonial policy such as England has adopted, which interferes but little with native customs, and intrusts the administration to officials familiar with local conditions. This position was emphasized by Professor Stephens of Cornell University, who followed with a delightful portrayal of British administration in India. Such mistakes as have been made there, he said, have been due to a want of understanding and appreciation of the native peoples. Again, Professor Finley of Princeton University, who presented the results of a personal visit in a paper on "Our Porto Rican Policy," insisted that the relations between the tropics and civilization must be expressed by the residence of a few white men to guide and encourage. His picture of the island politically and economically was most deplorable. The difficulties of securing a revenue can hardly be overestimated, and the island certainly needed, he insisted, the temporary relief afforded by the Dingley tariff. Neither complete independence nor early admission to Statehood is to be thought of. The islanders do not want the first, and are not ready for the second. They should be organized into a Territory. In the discussion that followed, Professor Hull of Cornell University gave the results of a statistical investigation into the revenues and expenditures of Porto Rico as the result of its possession by the United States. The conclusion was plain that, after the expiration of the tariff law, the revenues of the island will not be sufficient for its maintenance, which calls for a speedy and serious consideration of the taxing problem. Professor Hollander, now Treasurer of Porto Rico, was unable to be at the meeting and present his paper upon "The Finances of Porto Rico." His handling of the difficult questions intrusted to him in that island has aroused wide interest and admira-

tion, and his unavoidable absence was deeply regretted.

Commercial education occupied the Friday afternoon session. Professor James's paper on "The Relation of the Universities to Commercial Education" traced in an admirable manner the progress made in this direction, and advocated a three or four years' undergraduate course in the colleges and universities to meet the need. Professor Keasbey of Bryn Mawr, in a paper on "The Teaching of Economic Geography," presented from a theoretical standpoint the mutual dependence of economics and geography, and gave commercial geography a fundamental place in a scientific course in commercial education. Professor Haskins of New York University presented "The Science of Accounts in Collegiate Commercial Education," according accountancy a high place in secondary, post-graduate, and professional commercial education. The spirited discussion which ensued, led by Professors Dixon of Dartmouth and Scott of Wisconsin, confined itself to the place of commercial education in a college or university course, and gave expression to widely divergent views. It was argued on the one hand that such a course should be supplementary to that of the college, and be placed on the same basis as training for the recognized professions; on the other hand, that it should parallel and in large part supersede the college course, the time not being ripe for a more advanced curriculum. The afternoon's deliberations made clear the increasing need for such training and the growing interest in this form of education on the part of the business community.

The closing session on Saturday morning gave opportunity for the only paper of a theoretical character presented. "The Next Decade in Economic Theory," by Professor Fetter of Leland Stanford Junior University, essayed to forecast from present tendencies and current theories the direction of further development in the abstracter branch of economics. Basing his position upon the marginal-utility theory of value, the writer contended that the cost-of-production theory is discredited, that the labor theory of value must be thrown aside and the traditional division of the factors of production abandoned as illogical, and that our doctrines of rent and interest and our concept of capital must be reexamined and restated. The discussion showed a disinclination to follow the utility principle so far; in fact, a distinct reaction against this new development in economics was evident in the remarks of some of the participants, and a decided leaning towards Ricardian ideas interpreted in the light of later developments.

The excellent policy adopted by the Association of furthering investigation through committees was again justified in the conclusions presented by the Committee on Uniform Municipal Accounts and Statistics, which reported through its Chairman, Mr. M. N. Baker of the *Engineering News*. American municipal accounting is at present in a most unsatisfactory condition, and questions of public policy relating to municipalities can never be thoroughly studied until uniformity in reports has been secured. The Committee urged the coöperation of the various economic, sanitary, and engineering societies for the accomplishment of this result, to be followed by steps that will lead to the adoption of the scheme by the municipalities themselves.

They urged the publication of a yearly comparative summary of municipal statistics, the continuation of the work of this character now conducted by the United States Department of Labor, and the preparation by the present Census Office of an exhibit showing the nature and extent of municipal activities. The Committee was continued.

The most serious criticism that can be passed upon the sessions as a whole is that, because of the number of papers presented, so little time was or could be given to discussion. It is hoped that this difficulty has been removed by the action of the Council, which provided that hereafter there shall be fewer papers on the programme, that they shall be printed in advance and read at the sessions only in abstract, and that the meetings shall be devoted largely to discussion. Prof. Richard T. Ely was re-elected President, and Prof. Charles H. Hull of Cornell University, Secretary.

CAMILLE DESMOULINS.

PARIS, December 19, 1900.

M. G. Lenotre has devoted himself to the study of what he calls "Paris révolutionnaire," or Paris in the Revolutionary period. His new volume, *Vieilles Maisons, Vieux Papiers*, possesses real interest. The subjects treated in it are very varied. The principal chapters are devoted to Camille Desmoulins and his wife, and to the sister of Robespierre. Camille Desmoulins was born at Guise, a pretty and sleepy old place, situated near the forest of Guise, which belonged to the Princes of Condé. This forest, by the way, which was left by the last Prince of Condé to the Duke d'Aumale together with all the Condé estates, was left by the Duke d'Aumale to the Duke de Chartres during his lifetime and after him to the Duke de Chartres's second son, who has assumed the name of Duke de Guise. The father of Camille Desmoulins was an honorable and modest man, who filled the office of lieutenant-general, civil, criminal, and of police, in the bailiwick of Vermandois. He was poor and had five children. Camille was born on the 2d of March, 1760, and was educated at the Collège Louis le Grand in Paris, where he was a bursar. Since the suppression of the order of the Jesuits, the college has been in the hands of the University. The education was purely classical, and the boys heard more about the heroes of Plutarch than about the kings of France. They lived, so to speak, in Sparta, in Athens, and in Rome.

"Who could fix," writes M. Lenotre, "the degree of responsibility which, in the psychology of the men of the Revolution, is attachable to the inconsiderate admiration of antiquity? Legislators nourished on Livy and Tacitus passed judgment not on Louis XVI., but on Tarquin. What they thought worthy of imitation was the savage virtues of Brutus and Cato; human life could count for little in the eyes of those classicists accustomed to pagan hecatombs. Charlotte Corday herself would invoke the name of Cinna, and when Deputy Javogues, a member of the Convention, walked stark naked in the streets of Feurs, he took himself for an ancient."

Young Desmoulins became one of these Romans, and did not conceal his contempt for Guise and the simple ways of its inhabitants; he would live there no longer, and remained in Paris, where he was enrolled in 1784 on the list of lawyers. From 1784 to

1789 he was almost in distress, having no relations, no protectors; he was reduced to the necessity of copying legal documents for the *procureurs*, a precarious and very ill-paid work.

The Hôtel de Pologne, where he had a small room, was next to the house of a rich bourgeois, M. Duplessis, who had a pretty daughter. Desmoulins noticed her and admired her. Himself very poor and very plain, he could not hope to marry her till the Revolution made a great change in his life. From the first day, he threw himself into the new current; when the States-General were convoked, he went to Guise and succeeded in getting himself named one of the three hundred electors of the bailiwick of Vermandois, but not in being elected a Deputy. He returned to Paris furious against the inhabitants of Guise, "who are at the antipodes of philosophy and patriotism." "One of my comrades [of Louis le Grand]," he writes to his father, "has been more fortunate than I. I mean Robespierre, Deputy from Arras." In Paris, managing to become one of the followers of Mirabeau, he lives in his house at Versailles, dines with all his friends, with his mistress.

In a single day he rose from obscurity to popularity. It was on the day when, finding himself in the Garden of the Palais Royal, he stood on a table and distributed the green leaves of the trees of the garden as cockades to the enthusiastic populace. From his table he announces to a surging multitude the dismissal of Necker, declaims against the Court, and takes from his pocket a pistol, with which he threatens imaginary spies. He does not lose a moment, but writes pamphlets, and among them the *'Discours de la Lanterne aux Parisiens'*, in which he attacks the priests, the nobility, everybody. His glory has not made him richer. He humbly asks his father to send him five louis, and complains of his booksellers. His father criticises his son's pamphlets severely, but sends him some money, with which he founds a paper, *Révolutions de France et de Brabant*. In a literary sense, this paper, which immediately became famous, is a model of irony, of wit, of eloquence, of originality. "Its unforgiving irony," M. Lenotre says with truth, "spares nothing; it is destructive and merciless. . . . After Camille, the Terror may come. He has in advance laughed so much at the victims that they will no longer inspire pity."

The terrible pamphleteer succeeded in becoming intimate with the Duplessis family. Duplessis was the son of a workman, but had made a little fortune. His daughter Lucile was very pretty, as is manifest from an engraving in M. Lenotre's book, from a picture by Bailly, which is at the Musée Carnavalet. She was moved by Desmoulins's passion and consented to become his wife. She had a dowry of 100,000 francs, which was quite a fortune at the time. Desmoulins, who had always led a Bohemian life, took a third-story apartment on the Place de l'Odéon, at the corner of the Rue Crébillon. On the day of their marriage Lucile was proud of seeing round her Pétion, the Mayor of Paris; Mercier, author of the *'Tableau de Paris'*, and Robespierre. The Duplessis had a little country house at Bourg-la-Reine, near Paris, and the journalist and his wife divided their time between the country and the capital. The year 1791 was a long honeymoon. Camille, who had been such a merci-