

tistical theory have been made by mathematical economists, and that the inductive and deductive sides of economics receive collateral treatment in the works of the masters of the mathematical method. The goal of mathematical economics is a statistical confirmation of its conclusions.

Several errors of varying degrees of importance should be noted. On page 42, "ordinates" is used for coördinates. On page 121, the area should be R D W instead of "R D M." On page 75, where, in the discussion of the effect of a specific tax upon price, it is stated that in industries subject to the law of diminishing return "the price is increased more than the tax," it is obvious that we should read "less than the tax." On page 8, the following reference is made to Cournot:

In the fourth chapter of this book [*Recherches sur les principes mathématiques de la théorie des richesses*] he clearly expounds the law of diminishing utility, and shows that the price which would be offered for an article depends on the utility of the last increment exchanged as compared with money.

It is very curious that this statement should be made, for not only does Cournot not expound the law of diminishing utility with the corollary as to money, but his entire omission of the subject constitutes one of the defects of his great masterpiece.

HENRY L. MOORE.

Les Systèmes socialistes et l'évolution économique. Par MAURICE BOURGUIN, professeur adjoint à la faculté de droit de l'Université de Paris. Paris, Librairie Armand Colin. 1904.—x, 519 pp.

Perhaps the leading merit of Professor Bourguin's book is that its author, appreciating the convincing appeal that facts make to the scientifically and historically trained mind of to-day, has devoted three-fourths of his volume to tabulation of, and commentary upon, the facts of what he styles economic evolution. Part ii is entirely given to this tabulation and commentary. Over a hundred pages of appendices (pp. 391 to 498) present in tabular form the facts regarding concentration of capital, especially visible in railway and shipping companies, in life insurance companies and in the great industrial trusts; the increase of urban populations; the growing tendency of employers and laborers to form unions; the development of coöperative consumers' and producers' societies; the extending municipalization of water, gas, electric light and street railway plants, and the nationalization of telegraph and

telephone lines and of railways, in Great Britain, Belgium, France, Germany and the United States. In some instances tables are also given from Italy, Switzerland, Denmark, Sweden and Norway, and Russia. These tables are usually taken from government publications, the tables of the United States, for example, being chosen from the reports of the Industrial Commission and from the Twelfth Census. The areas and values expressed in the tables are usually given in terms of the surface and value units used in the countries from which they are taken.

Brief commentaries accompany these tables and a more extended and connected commentary precedes them (pp. 134 to 301). The conclusion deduced from these facts by the author is that modern society moves in the direction of collective control (p. 133 and pp. 302-388).

The first quarter of the volume (part i) is theoretical. Socialism is very broadly defined to denote

any system, which implies suppression, reduction or diffusion of capitalistic income by the institution, in behalf of a more or less large community, of collective, instead of individual, control over things. [Preface, p. vi.]

Three classifications of socialistic schemes are suggested: (1) According to ownership and operation of the means of production: state socialism, communal socialism or corporative socialism, according as the means of production and the direction of the business belong to the state, to the community or to a free association of individuals. (2) According to their value units: most of them advocating labor-time value units, but some favoring metallic money as a measure of value. (3) According to the mode of distribution favored: communistic, where all goods are common to all members of a society and distribution is made according to need; collectivistic, where the common property does not extend beyond the means of production (including circulation), and where distribution of consumptive goods is made according to labor performed. (Preface, pp. vii, viii.)

These definitions are followed by a criticism, somewhat detailed, both of complete state socialism and of collectivism founded upon a labor-time unit of value. The cardinal objection which the author finds against complete state socialism, a money régime being granted, is that any completely centralized administration must necessarily prove arbitrary in determining the amounts and the kinds of products, and must therefore interfere with the liberty of producers and consumers (pp. 89, 90).

Pure collectivism, to the author, involves the arbitrary interference

found in state socialism greatly augmented by the despotism, due to the dictation of the kinds of employment for individuals, necessary under a labor-value plan. The best theoretical work in the book is the extended critique directed against the labor theory of value, both as to its theoretic validity and as to its practicability (pp. 11-73). The author recognizes this labor-time theory as the citadel of the collectivist, all champions rallying to its defence and all critics centering their attacks upon it.

One of the most interesting chapters in this whole argument against pure collectivism and state socialism is the one which exposes the logical insincerity of a politic proposal made by contemporary orthodox socialists (chapter v, pp. 60 *et seq.*). The author notes that the many small holdings in France, Belgium and south Germany induce socialists to seek support from peasants and small retailers. Vandewelde, Jaurès, Guesde, DeVille, Kautsky and the Marseilles (1892) and Nantes (1894) resolutions are summoned as witnesses to show that contemporary European socialism is attempting to gain such support from the peasants, the artisans and the small retailers, by promising them that the socialized state will take from them neither their lands, their tools nor their stock of goods. The critical argument demonstrates clearly that, although these classes should be allowed to retain their small capitals, all actual property rights would be practically taken away from them, since the centralized administration would dictate the volume of their production, would set prices, would disallow profits and would not permit bequests.

The author's own socialistic programme is frankly admitted to be substantially that presented by Millerand's *Le socialisme réformiste français, Discours de Saint-Mandé*. (Société nouvelle de librairie, 1903). Millerand's program advocates no sudden state socialism, no change of the value régime, no immediate appropriation of all the means of production, no appropriation at all without indemnity. Its immediate aim is the incorporation, under collective ownership, of great industries, such as railways, mines, banks, refineries, water and gas works, street-railways [p. 91.]

In summary the thesis of the volume is that an evolutionary collectivist program is both the rational and the historically sanctioned platform for socialism. Part i aims to demonstrate theoretically the irrationality and inadequacy of other proposed socialistic programs and to establish the reasonableness and sufficiency of that proposed by the author. Part ii tabulates the facts of business concentration in an endeavor to show the historical and contemporary sanctions of this program.!

Part i is meritorious in its criticisms, and presents constructively a working plan very closely akin to the familiar Fabian socialism. The tables and commentaries of part ii make a useful hand-book on business centralization and socialization in Europe and in the United States.

There is no index ; and to issue without an index a five-hundred-page volume with references to and with criticisms upon more than a hundred authors, and with over a hundred pages of tables, is almost a crime against the reader, which is palliated only by the excellent arrangement of the material and the well-analyzed table of contents.

Altogether the volume is a sane, stimulating and satisfactory exposition, on the one hand, of the basic weakness in orthodox socialistic theory and, on the other, of the facts of business concentration which argue so eloquently the expediency and inevitableness of extended collectivist control.

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RECORD OF POLITICAL EVENTS.

[From November 9, 1904, to May 1, 1905.]

I. INTERNATIONAL RELATIONS.

THE RUSSO-JAPANESE WAR: MILITARY OPERATIONS.—

The investment of Port Arthur by the Japanese (see last RECORD, p. 717) was continued during the months of November and December with increased energy. In spite of the determined resistance of the Russians, positions dominating the stronghold and its harbor were carried by assault; and on the evening of January 1, General Stoessel proposed a meeting to arrange the terms of surrender. On the next day **the conditions of capitulation** were settled. All Russian soldiers, marines, volunteers and government officials were made prisoners of war; all forts, war materials and government buildings were transferred to the Japanese; those officers of the Russian army and navy who pledged their word not to resume arms in the war were allowed to retain their swords and return home.—**The fall of Port Arthur** added to the difficulties of General Kuropatkin in Manchuria. After the series of reverses around Liaoyang in October (see last RECORD, p. 718) the Russians retired toward Mukden. On February 19 the Japanese opened a series of offensive movements which culminated in one of the bloodiest and most decisive battles of modern times. On March 5 they succeeded in turning the Russian right and left. By March 12 the Russian armies were in full retreat northward, hotly pursued by the Japanese. Immediately after the battle, General Kuropatkin was relieved of his functions as commander-in-chief by General Linevitch but continued to serve in the army in command of his former subordinate's division. In April it was reported that General Linevitch was strongly entrenched between Mukden and Kwan-tchen-tse and that preparations were being made by the Japanese for an investment of Vladivostok.—**The progress of the Baltic fleet** (see last RECORD, p. 720) under Admiral Rojestvensky *via* the Cape of Good Hope and of another squadron under Admiral Nebogatoff *via* the Suez Canal was watched with great interest and, on the part of the Russians, with no little hope. On April 3 Rojestvensky's fleet appeared off Singapore and passed through the straits into the China sea. Its prolonged stay at Kamranh Bay and in other French territorial waters led Japan to make strong protest to the French government on the subject of neutrality. At the close of this RECORD the junction of Nebogatoff's squadron with Rojestvensky was daily expected.

RUSSO-JAPANESE WAR: INTERNATIONAL INCIDENTS.—According to the agreement between Russia and Great Britain (see last RECORD, p. 721) the North Sea affair was arbitrated at Paris by the following