



Review

Reviewed Work(s): Bisocialism: The Reign of the Man at the Margin by Oliver R. Trowbridge

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Source: *The Economic Journal*, Vol. 14, No. 56 (Dec., 1904), pp. 583-587

Published by: Oxford University Press on behalf of the Royal Economic Society

Stable URL: <https://www.jstor.org/stable/2221248>

Accessed: 31-12-2022 17:10 UTC

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The one experience England did have of the comparative absence of restriction was under Cromwell, when the country was brought to the verge of economic ruin. The experience then gained led to the reconstruction of the mercantile companies, as well as to the vigorous policy of stimulating industry in every possible way, so successfully carried out by the Whigs. During Whig rule, when the encouragement of industry was tried on the largest scale ever attempted in England, she definitely became the workshop and carrier of the world.

In this respect, therefore, it seems to me that Mr. Unwin has misconstrued the whole tendency of European economic history.

There is one slight slip which might be noted in passing. On p. 152, in referring to the joint stock enterprise of the eighteenth century, Mr. Unwin obviously means the nineteenth, when such undertakings again became possible.

The book is a very valuable addition to our knowledge of industrial history, although it is not an easy one to read. Mr. Unwin has collected much new information from hitherto untapped sources, and no student of the sixteenth or seventeenth centuries can afford to dispense with his work, however much they may at times differ from his conclusions.

LILIAN TOMN KNOWLES

Bisocialism: The Reign of the Man at the Margin. By OLIVER R. TROWBRIDGE. (Moody Publishing Company: New York and Chicago. 1903. Pp. 427.)

THE author of this book restates a familiar case in what is, in some respects, an unfamiliar manner. The case is substantially "the doctrine of taking ground rent for public revenue," as originally expounded by Henry George; but the argument is developed by the aid of the theory of value as elaborated by the Austrian economists: "Bisocialism recognises the true nature and import of the market as manifested in *value* and *cost*." Unfortunately, the author has found it necessary to improve upon the already over-specialised terminology of the text-books. It is accordingly difficult to state his argument without the accompaniment of a glossary. It may suffice, however, to explain that "Bisocialism," as distinguished from "Omnisocialism," represents the creed of "those Socialists who would limit the State to the socialisation of but *two* things, *viz.*, natural opportunities—represented by ground values—and public utilities." Bisocialism would therefore "retain the present industrial and commercial systems stripped of all monopolies and special privileges." The argument of Bi-

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socialism starts from the assumption that there is an "economic problem," and that to arrive at the essence of the problem "we must submit all economic phenomena to the tests of scientific analysis." The inquiry, therefore, falls into two parts. In Part 1 an attempt is made to "define the terms and deduce the laws that are necessarily involved in all true economic inquiries"; while in Part 2 these definitions and laws are applied, "not only in determining the fundamental faults of the established order, but also in elaborating the principles and the working plan of a complete remedy for all the economical evils which now beset us." For it is a principal defect of "the standard Political Economy" that it points out no criterion by which it may be definitely and positively determined whether a certain kind of property or a certain kind of business should, or should not, be socialised. In order to arrive at a judgment upon the merits and demerits of a "competitive system of production," we are asked to analyse the processes of the market, and to investigate the "origin and essential features of value and cost." Here the author has an organum ready to his hand—"that most fundamental of all economic ideas—the idea of *the margin*," and it must be acknowledged that he uses it with considerable thoroughness and effect. The following passage may serve to indicate the purport and character of the author's inquiry :—

"If it be true, as the theory which we have developed maintained, that value is essentially a limited and measurable portion of utility, that its lowest limit is fixed by the point of disutility, and its upper limit by the point of exchange, which, in turn, is determined by the utility and disutilities of the marginal pair, then it behoves economic science to inquire into all the conditions which may surround or affect the men who produce and purchase at the margin. For if they are the determiners of value, cost and price, then all economic research must extend to them and not exhaust itself in a study of conditions which chiefly surround those who are furthest from the margin" (p. 126).

Market price, then, being determined by the competition of the "marginal pair" (the marginal seller and the marginal buyer in any market), and it being understood that the marginal pair are representatives of marginal groups of sellers and buyers respectively, it becomes necessary to examine the conditions which determine the identity of the marginal seller and buyer. All production resulting from the application of labour-power (directly or indirectly by the use of capital-power) to "land-power," the marginal producer is the seller that produces upon the "marginal land-power"; this being with respect to a given market "a land-

power upon which given labour-power, assisted by given capital-power, will produce the least net value of any land-power necessarily used to supply such market." This yields in turn the conception of the economic margin of a given market, which may be defined as "the aggregate of all marginal land-powers which are tributary to such market." But the normal economic margin is not available for use by the normally marginal labourers. "The artificial depression of the economic margin by the holding of superior land-powers out of present use and occupation necessitates a distinction between the normal economic margin and the artificial margin which usurps its place." In the last analysis, "the prosperity of all men not beneficiaries of artificial conditions is based upon the return acquired by the man who exerts common labour-power at the economic margin," so that he becomes in truth "the most important personage in the whole field of economics," and, indeed, suggests the true economic standard of value—a day's common labour upon the economic margin. Having shown, then, that the prosperity of the community at large, in normal conditions, is based directly upon the prosperity of its marginal producer, the author proceeds to consider values which have their origin, not in normal conditions—"the conditions which attend a market unaffected by juridical institutions, laws, or customs"—but in artificial conditions arising out of the power of the State to create and maintain "differential privileges" in industry, exchange, and land tenure. A fairly familiar argument leads up to the formulation of the "true" canon of taxation—"men should be taxed only upon the ground values and the public utility franchise values (if any) annually possessed by them, and should be taxed to the full extent thereof every year." The author concludes that, having "treated in a brief and comprehensive manner all of the primary questions which pertain to economic science in both normal and abnormal conditions," he is "now prepared to say, upon the authority of economics, and with the certitude of science, that there is a criterion by which the policy of the State towards the institution of property under any system, actual or proposed, may be tested and correctly determined." For the statesman, there is an economic imperative, and it is this—"the State must destroy all monopoly values; it must socialise all ground values and all public utility franchise values; it must individualise all labour values and capital values; and withal it must maintain an economic system which permits and protects the fullest co-operation in industry and the freest competition in exchange." This conclusion is compared with the

“established order,” the teachings of “standard political economy,” and “Omnisocialism.” The established order “recognises, in a limited way, the beneficence of the market, but not sufficiently to make the market absolutely free.” The admitted evils and defects of the established order are obscured by the teachings of political economy, “based as it is upon a partially false and wholly inadequate theory of value”; for “it does not discriminate as to the origin of values.” In the programme of “Omnisocialism,” on the other hand, there is no recognition of the economic margin. In abolishing the open market, the advocates of Omnisocialism “destroy the natural basis of all economic phenomena, and put their proposed system at once upon an artificial footing.” Omnisocialism, again, fails to recognise “the peculiar significance of the land-power in the economy of the State.” As against Omnisocialism, Bisocialists advocate the Socialism of the open door—a Socialism, that is, which rests upon “the right and opportunity of self-employment and exchange.” “For want of sufficient analysis of the laws of the market,” the Omnisocialist “confuses monopoly with capital and differential privilege with competition; he consequently mistakes the remedy.” On the other hand, Bisocialism is not an arbitrary and experimental scheme for the solution of industrial problems, for “its working plan is not without an economic basis.” It recognises competition, but would make it free; it does not destroy the market nor forbid exchange, but it would restore the normal market and “completely unshackle” trade.

“When all monopoly values have been destroyed and all ground values and public utility franchise values have been completely socialised, industry will not be forced to exert itself below the normal economic margin. The marginal return to common labour-power will then become the true and unerring standard for the measurement of all labour values. The marginal pair will then become the determinative of all market values, and the marginal labourer upon a marginal land-power will become the unconscious but certain arbiter of all wage questions.”

Such is a brief outline of a Socialism which (like that of Professor Loria) is based on the recognition of “the peculiar significance of the land-power in the economy of the State.” It follows that in the author’s judgment the “ultimate” causes of poverty are institutional and economic; and it is only when equality of opportunity is secured by the “restoration and raising of the normal economic margin that it is possible to draw a clear line of demarcation between the voluntary and the involuntary poor.” The existence of a “submerged” class may be traced to the arti-

ficial depression of the economic margin rendered possible by the institution of property as it exists. On the other hand, the author not only makes light of the question of compensation to existing owners, but is not very precise as to the manner of taking the most fundamental step in the programme of "Bisocialism"—the socialisation (by taxation) of all ground values. Difficulties of theory as well as of practice might well be raised both by "standard political economists" and by "Omnisocialists" as to the sufficiency of the methods by which "Bisocialism" would compass what most persons would recognise as the economic ideal—"constantly to increase the opportunities of the man who is at the bottom of the economic scale." On the other hand, the argument of the author claims the respect and the attention of both the economic parties; it is not only set out with remarkable clearness and force, but it is eminently thorough and sincere. *Bisocialism* is, in fact, a book to be reckoned with; its case is not a new one, but it has seldom, if ever, been stated in such strength. It is one of the most redoubtable, as well as one of the most "scientific," contributions to the literature of Socialism that has appeared for some time. The author meets both the Economists and the Collectivists on their own ground and with their own weapons, and both will find him an antagonist worthy of their steel.

SIDNEY BALL

Studi Economico Sociali Contemporanei (2). ACHILLE LORIA.
Verso la Giustizia Sociale. (Milan: Idee, Bataglie, ed
Apostoli. 1904. Pp. 572.)

THE collection of essays, addresses, and reviews which Professor Loria has here brought together makes up a considerable volume, and is a remarkable testimony to the erudition and versatility of the author. It has also rather more character and significance, and consequently more justification, than always attaches to collections of the kind. The title, *Verso la Giustizia Sociale*, fairly expresses the unity of interest which gives to a miscellany of *vari studi* something of an organic structure. They are, in fact, all studies in one idea—in a certain conception of "Social Justice," which is never, indeed, explicitly stated, but is always in the background as the *dittatore invisibile* of the whole. The persistence of such a central idea gives a more than occasional interest to what were originally occasional productions. These various studies may, in fact, be regarded as a kind of exercise in the Pro-