

ing News made the novel as well as unanswerable reply from which we extract the following:

To us it is one of the strong arguments against private ownership of public utilities that the cost, represented by bonded indebtedness, is made a perpetual burden on the public. With interest rates at 4 per cent, it only requires a sinking fund contribution of  $3\frac{1}{2}$  per cent per annum to extinguish a bond issue at the end of twenty years. Few franchise holding companies can float bonds at a lower rate of interest than  $5\frac{1}{2}$  per cent on the average, when discounts, etc., are taken into account. With a city floating its own bonds at 4 per cent, therefore, a contribution of only 2 per cent per annum under municipal ownership would extinguish the bond issue in twenty years and leave the city freed, forever, from the burden of further interest payment on account of this particular debt. Further than this, we need only look back twenty years to see that cities to-day need to have their power to borrow money by bond issues unhampered by debts incurred twenty years ago. . . . With the rapid changes of our present day civilization, each new generation has its own needs. . . . The city or the State or the nation that allows a mountain of debt to be piled up by generation after generation will suffer a serious handicap in the competitive struggle. . . . Suppose all the work of the Middle Ages in the castles of feudal warfare—quite as necessary in their day as any public work that we now build—were to be still represented by bond issues!

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### Expertism in Government.

Under the title of "Democracy and the Expert," the London Nation makes a suggestive inquiry into the bureaucratic tendencies especially of socialists like Mr. Sidney Webb, and generally of all the types of socialism that may be called artificially constructive, in contra-distinction to those that are naturally evolutionary. Mr. Webb is urgent for the expert or specialist in government. But the Nation, itself socialistic, shrewdly wishes to know if a high degree of specialization would not remove the government from the control of the people. That such specialization as that which Mr. Webb and his associates stand for would do this, seems evident. But this is because the line between the function of the expert and the function of the people is not clearly drawn. Yet it is a visible line. We observe it in all our ordinary affairs. It is a line that separates policy from method and execution—the what-we-want from the how-to-get-it.

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A business man knows better than his experts what he wants accomplished, and to that extent he instructs his experts; but the experts know better how to get what he wants, and to that extent he abstains from interfering with them. So it is with

government. The people know what they want better than any expert in government can tell them. They know, for instance, whether they want high-ways or not, free trade or restricted trade, direct taxation or indirect, freedom or despotism. But with reference to the details of what they want, the experts know best. Given a nation in which the people regulate details, and you soon have chaos; given one in which experts determine policies, and you evolve bureaucracy, and ultimately absolutism. Absolute monarchy is the very ideal of expertism in government.

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### A Misleading Confusion.

The London Socialist Review for July contained a thoughtful article on the waste of capital, by L. G. Chiozza Money—a socialistic article of the Fabian flavor. It was especially interesting as exhibiting the point of departure of socialists of the artificially constructive type, and those of the natural development type. For instance, referring to what he describes as "the anti-social storing up of capital to enable a person or family to live for an indefinite period upon the labor of others" and thereby "to exercise control or dominion over the life and work of others," Mr. Money declares this to be "the only unnecessary function which capital now possesses" and the only one which socialism would eliminate. This is a platform upon which all who believe in a better social order should be able to agree, whether they would accomplish the betterment by abolishing competition, as Mr. Money would, or by freeing competition, as others of us would. And what would make us differ would be our differing apprehension of what it is that gives to the possession of capital the power to live upon the labor and dominate the life and work of others. In opposition to Mr. Money we contend that capital *per se* gives no such power. It seems to have the power only because it is capitalized along with property which has the power in fact. A mining corporation, for example, capitalizes its machinery and its mineral deposits together, or a railroad company capitalizes its plant and its rolling stock along with its right of way, including its terminal monopoly, and we call all the stock "capital." Such capital does indeed perpetuate economic power in the possessor indefinitely and from generation to generation. But if the value of the mineral deposits in the one case, or of the railroad right of way and terminal, were abstracted from the stock, it is obvious to any business man that the capitalization of the machinery or of the rolling stock, as the case might