

of the most pressing issues of public policy—government spending, international economics, wage policy and tax reform, for example—are dealt with sketchily, if at all. It is, in short, a miscellany, and not a symposium on the major issues confronting government. It is not less suggestive or useful for that.²

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Government and Economic Life. By Leverett S. Lyon, Myron W. Watkins, Victor Abramson, and Associates. 2 vols. Washington: Brookings Institution, 1939 and 1940. Pp. xvi, 519 and xi, 780. \$3.00 and \$3.50.

The ambitious purpose of this study is "to analyze the relationship of government to economic life as a whole in terms of fundamental economic and social functions and fundamental government activities."¹ "Economic life" as used covers much more than "business." It includes the activities of business firms, of course, but also all other activities by which any goods or services are produced or made available. In this broad sense it is, of course, a great segment of the total culture, and the relations between it and government have been of first-rate political and practical importance since the industrial revolution, and before. Not only is public law surcharged with these relations, but a great part of our private law consists of nothing else. What is contract but a business deal for which government provides a remedy? Full treatment of the total picture would require analysis of half of *Corpus Juris* and of all that which used to be called Political Economy.

The Brookings authors have not been so foolish as to take on that job. Specifically, they have left out the law of property and contract, have said nothing about the tort liabilities of business firms (except unfair competition and restraint of trade), and almost nothing about crimes by or against business, except as criminal penalties are used to enforce specific regulations. There is little theoretical economics in the book, and "government" means government in the United States, not everywhere.

Even with these omissions, the subject covered is large, diverse, and complicated. Within the scope of a review I can do no more than indicate the chapter headings. The field is first divided into two major areas, one where government itself is the producer, and the other where the main job of production is left to private enterprise. The latter is first taken up and is again divided into two areas, one where the law is general, applying to all industries, and one where it is special to a single field. General laws are first examined, commencing with those that make it easier for businessmen to operate.

Of this type of general law there are treated in some detail six examples: organizational forms for business enterprise, bankruptcy and reorganization procedures, patent rights, a monetary mechanism, mechanisms to adjust labor disputes, and the provision of standards and of information. The initiated will appreciate at once that each of these topics is full of dynamite; here all six must be treated in two hundred pages. The

² A minor point: while a yearbook is preferable to yet another journal, both to concentrate subject matter and to avoid excess book reviews and binding costs, the editors should see to it that their material is indexed in the guides to periodical literature, or their annuals will suffer the dark destiny traditionally reserved for *Festschriften*.

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¹ Vol. I, p. ix.

treatment (and this goes for the whole book) is in each case descriptive and historical; current problems are indicated but not solved.

Volume I continues with two excellent short chapters on business competition, first anti-trust policy and then unfair competition. It is interesting to compare the second of these chapters with the recent third edition of Mr. Watkins' *Public Regulation of Competitive Practices in Business Enterprise*. The comparison demonstrates that much can indeed be done by competent people in 51 pages, but that very much more can be done in 283. Any new student of the Sherman Act and its successors can very well begin with the two Brookings chapters, but unless he is very quickly satisfied he will surely want to go farther upon several lines. When he does he will find the Brookings footnotes excellent. Volume I concludes with six chapters about labor, which are referred to by my colleague, W. G. Rice, elsewhere in this *Review*.²

Volume II treats first the regulation of certain special fields of private enterprise, the chapters being written largely by outside experts. The fields are foreign commerce (Frank A. Fetter), public utilities (Ben W. Lewis), transportation (Charles L. Dearing), agriculture (Edwin G. Nourse), bituminous coal (Eleanor Polard), petroleum and natural gas (Aaron Director), and foods and drugs. An adequate discussion of these chapters must await someone who is expert in each one of the fields covered, which I certainly am not. So far as I am competent to judge they are sober, competent short statements, chiefly historical, of the development of policy and public regulation in this country in the fields concerned, with an indication of numerous current problems, and no panaceas. I found Mr. Fetter's chapter the most readable, no doubt because he expressed his own views with more freedom than the others.

This part of Volume II goes on to treat two particular "occasions" (the NRA and the World War) when an especially ambitious program of business regulation has been tried. Again, comparisons are interesting. One can learn something of the NRA from the chapter in the present book, but if he wants to find out much about it he had better go direct to the earlier Brookings book, *The National Recovery Administration*, in which Mr. Lyon also had a leading part.

The study now returns to government production, the chief work being done by Paul T. Homan. The role of government as a producer of final goods and services is studied, with special chapters on public relief and social security. The chapter on relief discloses clearly the confusion of objectives and changes of procedure that have cost so many headaches these last years. The other chapters resemble the balance of the book: restrained, competent, chiefly historical, short statements, with no explosion of the underlying dynamite. Neither Mr. Lillenthal nor Mr. Willkie will regard the treatment of the TVA as final.

From the whole study what emerges? I find it hard to state any new lessons. Here are a few old ones:

The impulse for public action is not single, but is a whole bundle of conflicting and competing drives. The facts are as complex as the motives. Both change with time, sometimes quite suddenly. The resulting legislation follows no consistent plan, but rather the enactments conflict and cancel themselves out at many points. Democracy prefers to improvise, and all of us must often act without full knowledge. A general staff of demi-gods might do it better, but we do not as yet know where they live.

Increasing public action is altogether likely, as far as we can see ahead, and no mat-

² *Infra* p. 174.

ter what party is in power. Its main lines will be determined by the Congress. Nothing is more important than the continuous election of wise and able men as Congressmen and Senators. Of course, the same goes for the President, but that need not be said.

Second only to enactment is administration. If the complex machinery we have set up is to operate with any sort of success we must get the best and most disinterested men we have into administrative posts, and keep them there.

Continuous studies from the outside, like these Brookings volumes, can be of the greatest help. I only wish these studies told us with more freedom what their authors really think. But if information, and few judgments, are what is wanted, then these books are fine.

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The National Labor Policy and How It Works. By Joseph Rosenfarb. New York: Harper & Bros., 1940. Pp. xxxvi, 732. \$5.00.

Government and Economic Life, Vol. I.† By Leverett S. Lyon, Myron W. Watkins, Victor Abramson, and Associates. Washington: Brookings Institution, 1939. Pp. xvi, 519. \$3.00.

Briefly reviewed, the chapters dealing with labor in the Brookings volume may be called a readable, compact description of the relation of government to labor in the United States, while the Rosenfarb book is, except for the annual reports of the National Labor Relations Board, the most important and detailed exposition of governmental regulation of collective bargaining that has been published. Rosenfarb, an attorney of the board, is an insider, not an impersonal outsider, like the Brookings Institution. In form too, the books differ widely: not only is Rosenfarb's style, unlike that of Lyon and Abramson, argumentative, but he has so little skill in writing English that his feast, unlike the neatly packaged Brookings-brand product, is somewhat unpalatable due to bad seasoning in its preparation.

The message of Senator Wagner's preface to Mr. Rosenfarb's book is the high significance of the promotion of employees' collective participation, jointly with employers, in the establishment of rules governing wages, hours, and conditions of employment. "The suppression of the rights which the Labor Act seeks to preserve," Senator Wagner says, "was almost invariably the first step of those dictators who have supplanted democracy with the totalitarian state. . . . Where the liberties of the workingman have been crushed, . . . liberty of thought, liberty of expression, liberty of religion, and government by the people have been slain. . . . We, in America, determined never to bow to tyranny . . . , must first of all make sure that men and women enjoy the dignity of freedom and self-expression in their daily working lives." And Chairman Madden, whose wisdom and energy have been the heart of the administration of the Wagner Act, declares in the foreword that "an attempt to give legal expres-

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† The two volumes of the Brookings study, other than the chapters dealing with labor, are reviewed elsewhere in this issue, supra p. 172.