

taxes. Or, finally, suppose that the government, while borrowing money through the sale of bonds, had discouraged the purchasers of these bonds from borrowing on them from the banks; in this case, also, prices would have been held down by the reduced purchasing power of those individuals who had invested their earnings in Liberty bonds.

Whether or not any one of the above-mentioned policies would have been wise or feasible is beside the point. They are mentioned here simply to indicate that one cannot explain a rising price-level merely by referring to an unusual demand for certain commodities. It was because this demand was satisfied in a particular way, namely, by the expansion of bank credits and bank currency, that prices soared to such dizzy heights. Had this same demand been satisfied in other ways, the effect on prices would have been different.

One further topic which the author discusses must not be left unmentioned—the excess-profits tax. In a short but convincing chapter, both statistical and theoretical considerations are brought to the defense of this tax against the charge that it has been shifted to the consumer in the form of higher commodity prices. Friday has done a real service by giving a non-technical but able defense of a tax which, despite the odium which it has aroused in the business world, may yet some time be regarded as one of the most important instruments of social justice.

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*The History of Trade Unionism.* By SIDNEY and BEATRICE WEBB. Revised edition. New York, Longmans, Green and Company, 1920.—xv, 784 pp.

*Life and Labour in the Twentieth Century.* By C. R. FAY. Cambridge, University Press, 1920.—viii, 319 pp.

A reading of the new edition of the Webbs' monumental History increases one's respect for those rare geniuses who can combine the qualities of the scientific historian with those of the social philosopher. The distinguishing mark of the Webbs' work, especially of recent years, is increasing confidence and power in critical and constructive thinking about society's most baffling problem—the nature and application of "democracy" to social and industrial life. The History is in effect a study of the growth of the democratic idea in the mind of the British working class, an interpretation of a profound intellectual

revolution in terms of its economic origins. It is the absorbing story of the ascent to power of the movement which without question stands today as the one bulwark of English liberty, of real self-government and responsible internationalism.

Viewed in another light it is the study of a transition—as yet by no means complete—of the working-class association from an agency to protect a standard of living to one solicitous to advance a standard of production. Of the trade unions' primary object, "to maintain and improve their members' standard of life", the conclusion is reached that unionism "has emphatically justified itself by its achievements; that it has to its credit during the past three quarters of a century no small measure of success, with more triumphs easily within view."

But though unionism "has gone far to protect the worker from tyranny", it has not as yet "gained for him any positive participation in industrial management". How that participation might with advantage take place, and the problems which "democracies of producers" encounter, are discussed by the authors in the light of a wide historical knowledge and a fund of contemporary experience acquired on administrative boards and commissions. And the conclusion is stated that:

The management of industry, a complex function of many kinds and grades, will, as we see it, not be the whole sphere of either the one or the other set of partners, but is clearly destined to be distributed between them—the actual direction and decision being shared between the representatives of the Trade Union or Professional Society on the one hand, and those of the community in Cooperative Society, Municipality, or National Government on the other. And this recognition of the essential partnership in management between Associations of Producers and that Association of Consumers which is the community in one or other form, will, we suggest, take different shapes in different industries and services, in different countries, and at different periods; and, as we must add, will necessarily take time and thought to work out in detail. One thing is clear. There will be a steadily increasing recognition of a fundamental change in the status both of the directors and managers of industry (who are now usually either themselves capitalists, or hired for the service of capitalist interests), and of the technicians and manual workers. The directors and managers of industry, however they may be selected and paid, will become increasingly the officers of the community, serving not their own but the whole community's interests. The technicians and manual workers will become ever less and less the personal servants of the directors and managers; and will be more and more enrolled, like them, in the service, not of any private employer, but of the community itself, whether the form be

that of State or Municipality or Cooperative Society, or any combination or variant of these. To use the expression of the present General Secretary of the Miners' Federation (Frank Hodges), manager, technician, and manual worker alike will become parties to a "social" as distinguished from a commercial contract. All alike, indeed, whatever may be the exact form of ownership of the instruments of production, will, so far as function is concerned, become increasingly partners in the performance of a common public service.

For the student of history that paragraph may be less important than for the student of government and industry. Yet it states conclusions which only a wide reading of history could confirm and from which those who are watching economic tendencies historically would not readily dissent. The significance of the above conclusions for the American reader lies (1) in their tacit acceptance of the principle of unionism as underlying all organized community action in the industrial field; (2) in their appreciation of the multifarious forms which economic activity in the public interest can take; (3) in their recognition of a changing relationship between technical managers and manual workers.

If this History thus brings into sharp relief the form and purpose of voluntary and state organizations which seem likely to provide the institutional basis for a new social order, it will perform its best service for its American audience. Alike in its ready acceptance of the trade union as an inevitable and desirable body in the scheme of things, and in its exposition of the legal fight which has been necessary to put the unions where they are, the study has practical suggestions for us.

Contrast, for example, the anomalies of the American labor unions at law with the present legal status of the British unions:

The final result of the successive attempts between 1901 and 1913 to cripple Trade Unionism by legal proceedings was to give it the firmest possible basis in statute law. The right of workmen to combine for any purpose not in itself unlawful was definitely established. The strike, with its "restraint of trade," and its interference with profits and business; peaceful picketing even on an extensive scale; the persuasion of workmen to withdraw from employment even in breach of contract, and the other frequent incidents of an industrial dispute were specifically declared to be, not only not criminal, but actually lawful. The right of Trade Unions to undertake whatever political and other activities their numbers might desire was expressly conceded. Finally, a complete immunity of Trade Unions in their corporate capacity from being sued or made answerable in damages, for any act whatsoever, however great might be the damage

thereby caused to other parties, was established by statute in the most absolute form.

There is, finally, in the history of "direct action" much that will repay careful reading in our own country. The Webbs' contention is that it is a measure of desperation with all but a small group of theorists—desperation due largely to the miscarriage of representative government in the present Parliament. And they conclude that

the vast majority of Trade Unionists object to Direct Action, whether by landlords or capitalists or by organized workers, for objects other than those connected with the economic function of the Direct Actionists. Trade Unionists, on the whole, are not prepared to disapprove of Direct Action as a reprisal for Direct Action taken by other persons or groups. With regard to a general strike of non-economic or political character, in favour of a particular home or foreign policy, we very much doubt whether the Trade Union Congress could be induced to endorse it, or the rank and file to carry it out, except only in case the Government made a direct attack upon the political or industrial liberty of the manual working class, which it seemed imperative to resist by every possible means, not excluding forceful revolution itself.

I have intentionally dwelt upon those parts of the book that have been added in the revision. If not of the most permanent value, they are of the greatest immediate interest, and they show the Webbs in the full flower of their critical and prophetic powers. Theirs is a great history—a prodigious piece of scholarship in the service of a lofty but sane conception of social reorganization.

Mr. Fay's history, wholly different in method, traverses the same period and may well be read before the trade-union history by any who fail to understand the passion and the persistence behind the will to organize. The author has evidently been influenced in the treatment of his material by the Hammonds, and he succeeds in imparting a lively and an intimately human note to his exposition. On the other hand, though apparently written for the uninitiated, his study covers some of the ground so cursorily that some prior knowledge of the episodes treated is almost essential; and a sense of the continual flow of events is hard to get because periods are sharply and artificially divided.

As an interpretation of the human consequences of the early factory decades, as a characterization of the effects on the workers of an aggressive industrialism, Mr. Fay's history has permanent utility. But read as it should be, in conjunction with the Webbs' study of how the workers

organized to withstand that industrialism, it takes on its most real significance and derives its greatest value.

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*The Casual Laborer and Other Essays.* By CARLETON H. PARKER. New York, Harcourt, Brace and Howe, 1920.—199 pp.

During the years which have elapsed since economic science was first given definite form and structure by the classical economists the science has been assailed from many directions. The temper of each succeeding generation, in a sense, has been reflected in its reaction to the body of inherited economic doctrines. In recent years the iconoclastic movement which has been most strongly forced has centered in the psychological preconceptions of economics. Though the attack was begun some years ago by the trenchant criticisms of Thorstein Veblen, it is only within the last decade that the skirmishing has extended over any considerable section of the front. Today questions revolving about this problem are among the most insistent with which economists have to deal. Have economists any concern with the findings of the psychologists? Is classical economics completely invalidated by recent changes in psychological conceptions? If not, what degree of renovation may be required in these classical doctrines? With what problems is the old economics competent to deal, and what problems is it incompetent to attack if the newer psychological conceptions are to be accepted? These are questions which are not only pressing for solution in the realm of abstract reasoning, but are being brought sharply to the front in the hurly-burly of industrial reality.

Among the younger participants in this attack upon the psychological bases of orthodox economics none has pressed the fighting more assiduously than Carleton Parker. Comparatively unknown four years ago, this young economist from the West attracted national attention by his work in the field of labor and in the practical application of a technique of research based upon psychological findings. His death early in 1918 put an untimely end to his work in economics, leaving only scattered fragments to suggest what his future accomplishments might have been. These miscellaneous essays have been gathered together by his wife, and now appear in book form. Though the book contains no complete and consistent development of his theories, it is yet a welcome contribution to economic literature. It serves to bring out the main charges which Carleton Parker