

The Idea of Social Justice. By Charles W. Pipkin, The Macmillan Company, New York, 1927, pages xvii, 595.

The most constant thing in life is change. The period covered by this volume—1900-1926—was a period of great change the world over. This first quarter of the new century is the most complex and epochal of recorded history, and most difficult of accurate analysis, just interpretation and constructive direction. No contemporary analyst has the wisdom to discern with certainty the true character of such an eventful period. What the world is struggling toward is a great *synthesis*. The younger Mill has wisely said that no one's synthesis can be more complete than his analysis. Never, perhaps, has more earnest analysis been devoted to any theme than has been given to the question: What is social justice? The problem is as old as history. It will doubtless continue to command the attention of the best minds, for life is becoming increasingly social and the essence of justice consists in right human relations.

In view of the age long struggle of the race to express the idea of justice—from the Republic of Plato to Professor Pipkin's six hundred page volume—it is a striking commentary on the literature devoted to the idea of social justice that Professor Adams in his introduction to this work is impressed with the fact that "the present volume, based on patient investigation of the main sources of evidence, is the first attempt by a comprehensive survey to examine how the idea of social justice is finding new forms of expression in two of the great states of the world."

The selected bibliography at the close of the volume dealing with the subject comprises some four hundred works. Has Professor Pipkin found the key to unlock the age-long riddle: What is social justice? by leading us to see that "the ideal is the truth of the actual"? He certainly has given us a masterly analysis of life in its most complex and determined effort to give order and cohesion to the idea of social justice through legislation, administration and the labor movement in two of the great states of the world—England and France.

"*The Idea of Social Justice*" is divided into two books—Book I opens with a survey of the English social movement. It sketches in outline industrial legislation and the growth of the labor movement, stressing the changing opinion reflected in the aims of political organization. This is followed by a similar survey of the French social movement. These introductory chapters furnish the background against which the author portrays the social legislation in England and France during the period 1900-1926.

Some 250 pages are devoted to showing how Englishmen have gained increasing control over their economic and social environment through legislation dealing with children and young people, through factory, shop and mining acts, compensation legislation, old age pensions and living wage measures, unemployment and national insurance schemes.

One of the most interesting parts of the entire volume (Chapters VII-VIII, Book I) treats in convincing manner

the politics of the English labor movement, from the point of view of the status of the trade unions, the Trade Union Congress and industrial unrest. The author closes this part of his analysis with the conviction that "Labor politics can be used to strengthen the constitutional guarantees of freedom, and promote conditions of good-will which will bring the state a larger liberty of action. Good-will can inspire a new allegiance which is surely needed by the state if its aims are to be social. . . . Labor politics . . . has come out into the open and never again can labor refuse to bear its share in the carrying on of the nation's business." (pp. 360-361).

Following the manner of treatment in Book I, Book II shows how Frenchmen through social legislation have steadily striven toward the ideal of social justice and moved toward a conscious goal by social organization and control.

Chapter XI of Book II is a survey of revolutionary syndicalism in France, with the view to pointing its meaning for the ideal of social justice. Democracy "is helped by every movement which brings more definitely to a place of first importance the individual rights within the community." . . . "whether or not revolutionary syndicalism has greatly helped the individual French worker to use his associative freedom more effectively yet remains to be seen. But it is true that the importance of the rank and file of the industrial workers and the collective power of the organized groups are today more widely understood." (p. 509).

The author's conclusion, treating Social Justice and the Individual; and Social Justice and the Community, compressed into twenty-five well reasoned pages, is the most interesting of the entire volume. No brief review can do justice to this striking summary. It well repays study.

Men have "constantly sought to redefine what justice is in their daily life of work and the social control of their institutions. The exercise of this capacity for justice is the source of happiness for good men and it is the foundation of order in the state. As they have aimed for justice they have found their duty as citizens." (p. 538. Italics mine). This quotation carries us to the heart of the author's unique contribution to the literature of social justice.

The whole volume is alive with the idea that individual and social justice is taking on a new meaning because of a changed attitude toward human nature. The individual in his total life relationships and all his needs must be understood before an adequate politics, ethics or justice can come forth. "The will for the highest good and the sharing of a common purpose with men of good-will have remade the state."

In the attempt to see how effective industry, politics, and voluntary associated efforts have been in creating the "good individual" and the "good society," by making his ideal of social justice synonymous with *community good*, the author has made a distinct contribution to the literature of one of the most important problems now occupying the best thought of the world, and, in the words of Professor Adams, his volume deserves a generous welcome.

HENRY C. MERCALP*

*Bureau of Personnel Administration, New York.

Making Goods and Making Money. By Horace Taylor, The Macmillan Company, New York, 1928, pages viii, 296.

The question which Professor Taylor has examined in this book is one which is crucial for scientific management. Were Adam Smith and his successors right in saying that in the business order a man freely seeking his own interest would automatically advance the interests of society, or were Ricardo and his successors (notably, in our own day, Thorstein Veblen) right in saying that by its entrenchment of pecuniary motives the business order leads men to try to get something for nothing and hence creates an inevitable conflict between the individual and society? Specifically, does the pathway to wealth lie in making and distributing as many desirable goods as possible at a low price, or in restricting production, cheapening quality, and charging a high price? If the former is the case, the management engineer, who must in most instances be employed by the profit-seeker, may rest easy both that his future is assured and that his vocation is fruitful, but if the latter is the case, he either is likely to starve or to serve anti-social interests.

Mr. Taylor's theoretical analysis of the question results in the conclusion that each side is right, in a certain measure and in certain instances. There are conflicts between profit-seeking and service, but they do not arise from inexorable natural laws but from the cultural situation. There are also communities of interest between individual profit-seekers and society. How much of each exists depends largely on the situation. It is important, therefore, to examine the existing situation in the United States to see where the trend lies.

The result of this examination is, on the whole, cheerful for the management engineer. While revolution which would abolish the profit motive is both unlikely, and, for other reasons, undesirable, and while efforts to exert social checks on business through political agencies and moral influences are often abortive, there are strong tendencies in business itself which tend to harmonize making goods and making money. These include not only the familiar means of division of labor and the many succeeding devices both of machinery and management which lower costs and increase productivity, but basic economic tendencies themselves. Combination and integration of industry place a premium on the development of new products, the elimination of wastes, the regularization and standardization of production. Mr. Taylor lays a great deal of stress, in this connection, on one phenomenon in which Mr. Veblen saw only evil results. The tendency for fixed charges to become enlarged through greater dependence on capital equipment, and in other ways, was seen by Veblen only as a capitalization of profits by which the owners of industry would be able not only to get something for nothing but to get more and more for nothing. Mr. Taylor sees it also as an influence which leads business men to try to produce and sell more and more goods, often at reduced prices, in order that the fixed charges may be regularly

met. Profit margins are not, of course, to be identified with profit on capitalization. The latter may grow through a shrinkage of the former.

Mr. Taylor's conclusions apply, on the basis of the evidence he adduces, only to manufacturing industry in general; and he admits that they do not touch the existence of other serious problems such as the forcing of inferior products on the consumer or wasteful merchandising. They are limited also by certain monopolistic practices. While it may be profitable for a producer who controls his market to sell more goods at a lower price than fewer goods at a higher price, that is not necessarily the case. It depends, for one thing, on the elasticity of the effective demand for the specific product. As long as the demand is indefinitely expandable as the price falls or wages rise, it may be more profitable to lower prices and sell more goods than to maintain prices. But this is not always the case. Mr. Taylor's conclusions may not be stretched to a complete demonstration that under existing conditions Adam Smith is 100 per cent, or even 75 per cent, justified. They merely hold out substantial reasons for hope, and an encouragement to those many varied activities which do tend to harmonize making goods and making money.

GEORGE SOULE*

Banking Standards Under the Federal Reserve System. By Horace Secrist, A. W. Shaw Company, Chicago, 1928, pages xxxviii, 420.

This is an original statistical work dealing largely with ratios prepared from the official earnings and expense reports of members of the Federal Reserve system and with their condition reports for the seven-year period from 1919 to 1925 inclusive. The work contains some two hundred tables and fifty-odd charts. To review this work adequately in such a limited space is impossible, because, as the author says, this is not a work to be read and digested, but is rather a work of reference.

As a resume of what the work covers, the reviewer can do no better than to quote from page 3 of the book, where the author says this study "proceeds upon the following hypotheses: (1) that norms and trends of similar type characterize series of data reflecting bank operations; (2) that many of the series are inter-related; (3) that the norms, trends, and correlations obtaining are quantitatively measurable; (4) that a knowledge of them is of economic significance; and (5) that they are causally related to the operating processes of our competitive system. The problem attacked, therefore, is the verification of the truth or error of these hypotheses."

Quoting further, the author says on page 7: "Banks individually and collectively need standards or norms of operation which will serve as guides. They need also knowledge of trends and of the relative levels upon which banking in its various phases is carried on in different parts of the country. They need to know that forces are constantly in operation tending to bring rates of earnings,

*Associate Editor, *The New Republic*.