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Simons: ECONOMIC POLICY FOR A FREE SOCIETY.

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RECENT BOOKS

This department undertakes to note or review briefly current books on law and matters closely related thereto. Periodicals, court reports, and other publications that appear at frequent intervals are not included. The information given in the notes is derived from inspection of the books, publisher's literature, and the ordinary library sources.

BRIEF REVIEWS

ECONOMIC POLICY FOR A FREE SOCIETY. By *Henry Simons*. Chicago: University of Chicago Press. 1948. Pp. vii, 353. \$3.75.

The thirteen essays in this volume, written between 1934 and 1946, include most of the major writings of the late Professor Henry C. Simons of the University of Chicago. The first six of these essays contain the more general statements of the author's position. This he characterized as "free market liberalism," in which it is the responsibility of the state "to maintain the kind of legal and institutional framework within which competition can function effectively as an agency of control." To this end, he called for a radically simplified corporate form, with strict limitations upon size, activities, capital structure, and advertising and selling techniques. The greatest menace to control through competitive forces is found to be the growth of labor organizations which Professor Simons believed incompatible with either capitalism or socialism. A wage policy determined "monopolistically and not competitively" prevents investment and expansion and squeezes out poorer grades of labor into relatively unproductive fields. In this connection, it is observed that the Fair Labor Standards Act ". . . was designed, and will serve primarily, to retard migration of textile production and textile capital into southern states." The author submitted that problems of economic inequality can be handled by estate and income taxation. Believing that democracy must focus upon the interest of people as consumers, Professor Simons stated that the conflict of interests among producers and the community must be reconciled by effective intergroup competition, and not through the exercise of authority from above by government agencies which are responsible to particular producer groups. This typifies an underlying dread of political control. In the next four essays, the emphasis is on monetary-fiscal and financial arrangements. Stable legislative rules, simplification of the public debt structure by refunding it into consols and currency, and elimination of short term obligations in part through separation of deposit and lending facilities of banks will provide the means of control to which a competitive economy will be sensitive. Patent reform and elimination of tariffs are among the commercial policies suggested in Professor Simons' three concluding essays, the last of which is an "unsympathetic interpretation" of the Beveridge program.