

opposite program of centralization, both in the areas of government authority and administrative services. Centralization and not decentralization appears to be the call of the day in Indonesia.

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*Freedom and Federalism.* By FELIX MORLEY. (Chicago: Henry Regnery Company, 1959. Pp. 274. \$5.00.)

It should be noted, at the outset, that for Morley federalism and freedom are synonymous; accordingly, American was free only so long as the Union was really federal in character. As Morley elaborates it, this condition existed from the birth of the Republic through the Civil War years. The federal system was deliberately conceived by the Founding Fathers, and reaffirmed in the Tenth and Eleventh Amendments. Its chief merits were categorical restraints upon the power of the national government, and the allocation to the "sovereign" states of all residual powers.

The author's main theme now becomes apparent: bluntly put, it is that the past century has witnessed the erosion of American federalism (and consequently, freedom) through the unchecked usurpations of power by the national government. The principal agencies of this process are identified by Morley as the Fourteenth and Sixteenth Amendments. The former burdened the states with Constitutional limitations which were intended to apply only to the national government; the latter "supplemented this revolutionary change by giving the central government virtually unlimited power to tax the people without regard to State needs or boundaries." Hence, in the course of events, the New Deal and a peddler's pack of other legislation (abetted by a servile Court) which has all but enslaved the states to an insatiable centralized bureaucracy.

All this is a not inconsiderable theme for Mr. Morley's efforts; and, because he does his job well, many who do not share his anger nonetheless will join him in a companionship of nostalgia. But, for reasons best known to himself, the author engages in a simultaneous joust with political democracy (his synonym for Rousseau's distasteful "general will") which he views as the agency that has corrupted the national government. The Founding Fathers, he reminds us, formulated an undemocratic Constitution, establishing undemocratic institutions designed to function in an undemocratic manner. This wise intention has, in turn, been frustrated by a villainous array of forces in which the author includes all three branches of national government, both major political parties, and a heterogenous succession of individuals from Jackson to Eisenhower — all of them consciously or unwittingly persuaded by Rousseau's general will concept of government. The resulting democratic clamor has produced "governmental hand-outs, subsidies, and interventions of every kind, [which] no matter how dressed up with a specious humanitarianism, are essentially coercive measures by the state, encroaching more and more on the voluntary action of society."

Now, there is something unfitting in combining these two themes in a single argument. If political democracy is bad, it is bad for the fifty states as well as for the central state; yet Morley argues throughout as if the states, if allowed to retain their "sovereignty," could do no wrong. The reader is presumably left to hope that most of the states would refrain from going democratic if left to their own devices. In his discussion of *Brown vs. Board of Education* the author amply supports this presumption.

For a generation convinced, however unhappily, of the need for a strong national government, Morley's essay breathes an aura of splendid unreality. States' rights may be a formula for local injustice, as well as for freedom; and the case against political democracy must rest upon something more solid than an aversion to heavy taxes.

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*Railroad Transportation and Public Policy.* By JAMES C. NELSON. (Washington, D.C.: The Brookings Institution, 1959. Pp. 500. \$7.50.)

This study was undertaken by the Brookings Institution in an effort to clarify issues that were raised in the report of the Cabinet Committee in 1955 which was concerned with the plight of the nation's transportation systems. Although this report discussed all forms of public transportation, Professor Nelson has concentrated upon the problems facing the railroads. An earlier Brookings study (Charles L. Rearing and Wilfred Owen, *National Transportation Policy*, 1949) considered the broader aspects of national policy and organization. In the present study, the author deals with the competitive elements in the markets in which the railroads and other public carriers operate, and concludes that the striking growth of transport competition over the past three decades has severely limited both the traffic and the revenues of the railroads. Railroads, however, still have a high proportion of the long-haul traffic. The author analyzes traffic and market diversion, effects of traffic shifts on the transport economy, rail earnings and capital formation, efficiency in operation and pricing policies for the railroads. He also considers at some length public promotion of transport facilities that now compete with railroads, and the effects of public regulation upon the railroad problem. He is appropriately critical of both government policy-makers and railroad management: "To an indeterminate but probably significant extent, public promotional and regulatory policies, along with failures of railroad management and technological substitution, have contributed to railroad decline." He identifies the most serious deficiency of management to be a hesitancy to engage in vigorous competitive pricing and too great dependence upon general rate increases to offset increases in wages and prices. Management also has a great opportunity to improve service by increasing car utilization.

Economist Nelson boldly recommends that "the carriers reduce costs by taking aggressive action to reduce unneeded labor." Political scientist readers of his book would like to have seen consideration given to the political problems that are involved in reaching this goal. In the public policy field, he recommends