

The Saturday Review

of LITERATURE

EDITED BY HENRY SEIDEL CANBY

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Through the Nose

THE INVESTOR PAYS. By Max Lowenthal. New York: Alfred A. Knopf. 1933. \$2.50.

Reviewed by WILLIAM O. DOUGLAS

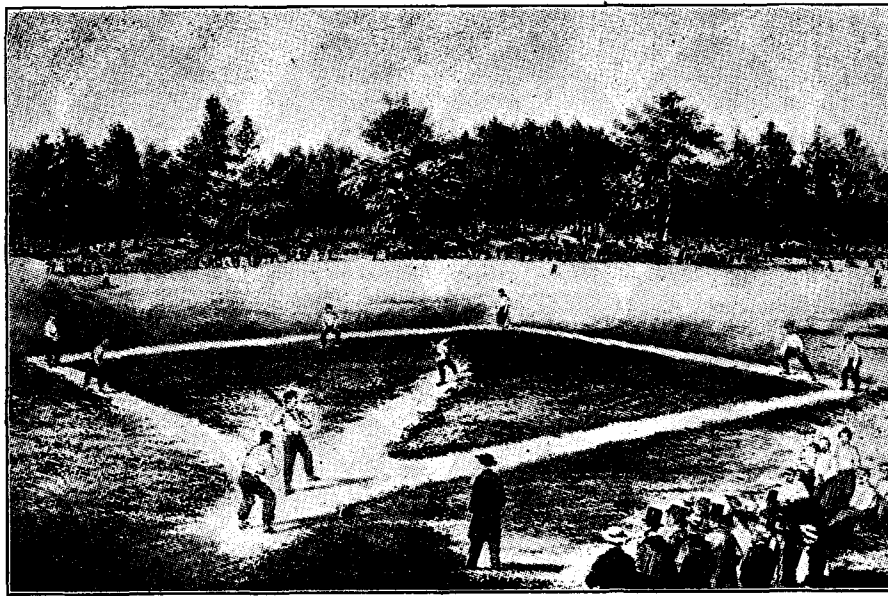
THIS book is the most valuable contribution to the literature of corporation finance since Louis D. Brandeis's "Other People's Money." Its appeal lies in the simple and informal way in which a drama of high finance in the 'twenties is unfolded. Its greatness lies not only in its simplicity and insight into the intricacies and subtleties of corporate reorganization but primarily in the solid basis of factual material which it presents.

Since the débâcle of 1929 we have been deluged with a mass of literature dealing with the sins of big business and the shortcomings and vices of Wall Street. These two—particularly Wall Street—have been the devils to whom all our ailments have been assigned. But to many who write and talk, Wall Street and big business are as mysterious as the devils which they symbolize. It is, therefore, refreshing to discover here a book which portrays one phase of Wall Street's activities with faithful accuracy, which puts in language any one can understand the intricacies of a complicated financial process, and which translates into human and social values the significance of the drama which is disclosed.

The drama is the reorganization of the St. Paul railroad from 1925-1928, with a prelude of events leading up to the reorganization. The first six chapters are devoted to the antecedents of this reorganization and reveal how a once prosperous road under allegedly incompetent management fell from its high place of dominance. Beginning with the seventh chapter, the rest of the book deals with the reorganization and therein lies its real interest. It shows how Kuhn, Loeb & Co. and the National City Co., for many years bankers for the St. Paul, commanded the receivership from beginning to end, and under the guidance of some of the best legal minds in the country successfully completed the reorganization in the remarkable time of three years and against opposition likewise lacking neither resources, astute counsel, nor the urge for profits. As a case history of one railroad reorganization the book might be said to be about six years late. But the St. Paul is merely the occasion for the telling of the story. The well-known names, the widely advertised institutions, the prominent people who parade across the pages, are merely the characters in a drama as old as finance itself.

The profit motive has been dominant in reorganizations. That has been possible by virtue of the fact that the process of reorganization has been very largely left to private initiative. The role of the courts has been quite perfunctory except in cases where a courageous judge, like Judge Mack in the Southern District of New York, has discarded ritual for realism. But by and large the conduct of reorganizations has been left to the initiative of large financial interests. That has meant that the average investor has had little or nothing to say. The total sums involved are so great, the investors so scattered, the process so complicated, the expenses so large, that only those with great financial backing have been able to assume the responsibility for getting in the old securities, revamping the capital structure, and marketing the new securities. Fur-

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BASEBALL IN THE 'SIXTIES
From "The Fifty Best Currier and Ives Prints" (The Old Print Shop)

The Sportsman's Lexicon

BY JOHN KIERAN

FROM the depths of "The Lexicographer's Easy Chair" in *The Literary Digest* (July 1, 1933) the following is culled: "In modern times, 'It's in the bag' is an expression that has been traced to the sporting world to designate that prize-fights or horse-races have been rigged, and the winners determined on. The origin of the phrase has not been determined."

With all respect to the esteemed Lexicographer, the origin seems plain enough. It goes back to the hunting field, where the partridge, pheasant, or rabbit shot by the gunner was actually put into the game-bag. From that matter-of-fact start, it is easy to trace it to its current slang usage in and beyond the modern world of sports. To the confident or boastful gunner, game still on foot is as good as "in the bag" for him. When it was carried over into other fields of sport as a metaphor, it's true that it acquired a somewhat sinister or cynical interpretation on the turf or around the prize ring, the implication of "rigging," but as far as the phrase itself is concerned, this was an "unearned increment." Furthermore, the sinister implication may or may not be included when the phrase is used even now.

With a horse like Equipose entered in a race, a confident bettor may say in all innocence of heart: "Why, it's in the bag. He can't lose." But it must be confessed that the sinister implication is included so often that even foreigners visiting our shores quickly pick it up as an Americanism. Thus, when Tom Heeney, the New Zealand blacksmith, was escorted to this county for pugilistic purposes and lost a close decision to Paulino in Madison Square Garden, his English manager, John Mortimer, protested the decision vigorously. He was asked whether or not he thought the bout was "in the bag" for Paulino.

"H'in the bag!" said the infuriated Mr. Mortimer. "H'i should sye it was h'in a jolly big sack!"

But if "in the bag" is easy to trace, there are many other slang and "technical" words and phrases in sports literature that are more difficult to run to earth. Why is a baseball partisan a "rooter"? What is the origin of the word "fungo," the term de-

signating the practice flies that are hit to outfielders with a "fungo stick," a bat very much lighter and thinner than the ordinary weapon of baseball warfare?

The word "knockout" is now interpreted to mean the rendering of a fighter senseless or helpless on the canvas for ten seconds or more. If a man is not on the canvas as the referee stops the bout, it is called "a technical knockout" to distinguish it from a "real knockout." But from the origin of the term in old bare-knuckle days in England, there should be no distinction. Long before the Marquis of Queensbury (Old Q.) drew up his Prize Ring Rules, fighters were "knocked out," and the term did not necessarily mean that they were "knocked out of their senses." They were really "knocked out of time." They could not come up to "the scratch"—the line "scratched" on the turf and which the fighters were supposed to "toe" within thirty seconds of the knockdowns that ended each round in those days. If a fighter cannot continue for any reason, including the halting of the bout by the referee to save a victim unnecessary punishment, the loser is "knocked out," and the description needs no "technical" qualification.

The boxers fight in a "ring" that is a perfect square. Possibly that requires some explanation. In the old bare-knuckle and turf days, it was a ring or circle according to the definition of Euclid and other authorities on plane figures. First, the ring was formed naturally by the interested spectators. Then, stakes were driven and ropes were used to hold back the crowds. Somewhere in the "Diary and Correspondence of Samuel Pepys, F.R.S." there is a passage concerning his attendance at a prizefight. There were probably two "rings"—a ring within a ring—when the bustling Master Pepys went out to see an exhibition of "the fancy." An outer circle of ropes and stakes held back the common mob. The "bucks and macaronis" and blue bloods and noble lords were privileged to pass that barrier and stand at the inner ring in which the fighters mauled one another. Old English sporting prints show this plainly.

The inner roped ring was still a circle, but in time it was found much easier to

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Francis Stuart's Novel of Ideas

TRY THE SKY. By Francis Stuart. New York: The Macmillan Co. 1933. \$2.

Reviewed by BASIL DAVENPORT

WITH "Try the Sky" Francis Stuart takes his place, if he has not done so already, as one of the most important of the younger novelists; for he is one of the few now writing fiction who has any philosophy to offer that is more than a counsel of despair; and one of the still smaller number whose ideas show a strong progress from book to book. His earlier books, "Pigeon Irish" and "The Coloured Dome," will be remembered as mystical melodramas, in which exciting stories were combined with a masochistic self-abasement that called to mind Dostoevsky; in his present book he is concerned much less with story-telling, and rather less with mysticism, but much more with ideas. The novel form is, in "Try the Sky," merely a convenient means of assembling the representatives of various possible philosophies, and Mr. Stuart is frankly fantastic, almost careless, in his means of bringing them together, postulating a marriage between two people who could never credibly have married each other. What interests him here is what we shall accept of their views of life.

Mr. Stuart's protagonist—who feels the question of what the soul is to do most keenly, and who finds the solution for herself and her lover, who is himself narrator and point of reference of the piece—is an Austrian girl who is made aware of what she calls "The Abyss" by three experiences of her girlhood. She was nearly killed in an accident; she saw a horse fatally injured; and once, through a lighted window, she saw a couple, "a girl in bed and a man sitting on the bed with his head between his hands." Mr. Stuart has the poet's gift of conveying to others those revelations that one sometimes feels at a commonplace sight; and from these incidents, as he makes us see, Carlotta derived a constant fear of all the non-human universe, which is always lying

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This Week

WILD BILL AND HIS ERA

By WILLIAM E. CONNELLEY
Reviewed by Henry Steele Commager

OUR MOVIE MADE CHILDREN

By HENRY JAMES FORMAN
Reviewed by Leane Zugsmith

MODERN ITALY

By GEORGE B. MCCLELLAN
Reviewed by Constantine Panunzio

A LIVERPOOL IRISH SLUMMY

By PAT O'MARA
Reviewed by Murray Godwin

LIVINGSTONES

By DERRICK LEON
Reviewed by Edith H. Walton

THE BOWLING GREEN

By CHRISTOPHER MORLEY

THE ERA OF MUCKRAKERS

By C. C. REGIER
Reviewed by John O'Hara Cosgrave

AN ITALIAN LETTER

By SAMUEL PUTNAM

Next Week or Later

THE AGRARIAN PATTERN

An Essay by KENNETH BURKE

