

a resourceful agent convincingly proved) constituted, I believe, in the mind of President Wilson a final argument for ending neutrality. There could be no question that acts of war were committed on a wide scale within the borders of a neutral nation.

The supreme jest is England's possession of the German code, and Germany's stubborn refusal to alter it when obvious "leaks" were apparent. If England had not possessed it and if she had not turned over her confidential reports as soon as we became her ally, the efforts of enemy spies would have caused inestimable loss of American life and property. Thanks largely to Great Britain we were able to break at once the backbone of the entire machine, and at the very beginning to deport our enemies.

Hamilton J. Smith was attached to the Department Intelligence Office, Eastern Department, Governor's Island, throughout the war.

A Happy Breed of Men

COLONEL WEATHERFORD AND HIS FRIENDS. By GORDON GRAND. New York: Derrydale Press. 1933. \$7.50.

Reviewed by ELEANOR LANGLEY VAN ALLEN

M. R. GRAND'S first book, "The Silver Horn," is already a collector's item in limited editions of recent sporting literature. The Derrydale, that press par excellence of handsome sporting books, has prepared a second uniform volume. Fifteen new tales are again illustrated by photogravure reproductions of J. Alden Twachtman's delightfully appropriate pictures. That peer amongst sportsmen, the gallant Colonel Weatherford, once more figures prominently in the majority of them. Stories of hunting, racing, fishing, and the show ring,—of dogs, horses, and the men who love them, whether in theme sentimental or romantic, humorous, or touching, gay or fantastic, they are distinguished alike by a mixture of wit and understanding.

Like Siegfried Sassoon, to whom it is not really daring to compare him, Gordon Grand has "the instinct for getting the full flavor of an experience." There is nothing of the lamp about his writing. These stories are as natural as though they came to life after dessert, with the brandy and the port.

No doubt the reader will recognize a certain poetic license in the author's depiction of "those evergreen country characters"; a display of overfriendly indulgence that amounts to grave illusion concerning the hard and straight ridin', four-square sportsman "types." There is a hint of danger too, here, that one can overwrite a character, however lovable, like the Colonel, as once was the case with Mr. Sherlock Holmes. Perhaps the author should now break the mould before it is too late. For it is rare indeed, to be able to effect often in a reader a real nostalgia for the outdoors,—to indicate the humanity rather than the inhumanity in sport. In this brief storyteller's holiday a timelessness has been achieved, like that by Mr. Grand's predecessor, David Gray.

As an enthusiast, I had believed nothing in this collection could touch the dignity and pathos of the story, "The Rector of St. Timothy's" in the first book. But I had not read another clerical tale in this second lot, "The Banshee Shadow Flies," where the narrator and the Colonel go fishing in Canada, and encounter the Reverend McCarthy McManus, the great Irish fisherman, who longs for a parish of his own after lonely years as "a wandering crusader" on the Arctic frontier. He wins the Colonel to his cause, when he catches a super-trout and loses his sermon notes in the act, all of an early Sunday morning.

In "The Vignette of a Lady," a great race horse is ruined in a local point-to-point; "The Galway Blazer, Gentlemen" is an outstanding story of a bull dog fighter; for mirth's sake, one could not do better than advise "The Training of Kerry's Own."

The charm of these tales remains almost inexplicable. In part it may be due to the evident affection (as well as familiarity) of the author for his subject; in part to his revelation of an inner spirit abiding perhaps unperceived in this "happy breed of men, this little world" of which he writes.

Shaking the Pillars

(Continued from first page)

who, according to the mechanics of Marxism, should rise up immediately and ring the death knell of capitalism. A gentleman by the name of Willoughby represents that anonymous town in Parliament. Who is Willoughby? First, he married Miss Tottie Trixie, the music hall star, a native of that town. Miss Trixie is known and beloved by all, even the newsboys in the streets. She sits on the platform when Willoughby is campaigning. She is the prettiest woman in all England. She speaks for Willoughby. He himself is a big, strapping athlete. He killed seven Germans with his own hands, as Miss Trixie never fails to remind her audiences. He is a member of the city football team and plays like a Trojan. On one occasion when a tie was threatened he kicked three goals against the Manchester United. By mandate of the sovereign people, Willoughby is a statesman and answers questions on international and domestic policies. Well may Americans thank God that they are not as these British!

Why is it that with all our powers of production and glutted warehouses millions of men and women are rotting in unemployment? Norman Angell thinks that there is a lack of coördination somewhere and that there will have to be a great deal of planning to overcome the hiatus between promise and performance. Can capital and labor, working together, plan

economy in such a way as to obviate the distressing evils of economic collapse and unemployment? Communists are constantly saying that capitalism cannot plan, although a generation ago they were sure that capitalism was making the social order which labor was merely to "take over" and operate. Now communists think that capitalism is chaos and cannot plan at all. Norman Angell believes that capital and labor could get together and work out some kind of operating arrangements



THREE CARTOONS BY DAUMIER
Illustrating "The European Balance of Power"

which would make the economic system better balanced. British labor is willing to do some planning, but the conservatives will not let labor do it. The conservatives are willing to plan a bit, but they want to leave labor out of the picture. Angell is of the opinion that the use of reason in this case would help. Doubtless it would. Can capitalism plan? Can communism execute? There are many valiant publicists who feel competent to answer these questions and to demonstrate, Q. E. D., one way or the other. They can declare, but they cannot present the Q. E. D., because the answers are buried in the history to be, not in the calculus of mechanistic economics.

Why do we muddle so in these critical days? Norman Angell thinks that we muddle so because our education is abstract, unreal, and gives us false notions of the world in which we live. Do we not teach that man, particularly the British man, the French man, or the American man, is a noble, upstanding, intelligent

creature, a lot better than foreigners, that man is not a wretched sinner here below but a kind of human angel, that wisdom presides in our legislatures, executive chambers, and courts, that our eminent citizens and pillars of society are self-sacrificing creatures bent always on the public good (even when eminent citizens and statesmen accept the offer of fellow eminent citizens of a place in on the basement floor of stock offerings about to be made to the public)? Do we teach man as he is—good and bad, selfish and un-



selfish, loving and hateful, generous and mean? Do we parallel our histories of public virtues with histories of private corruptions? For the answers, see the text

books and reports of patriotic societies on "the teaching of patriotism."

Norman Angell offers a little program in civics. He would teach the social sciences in such an exciting way as

to give scholars a lively sense (a) of the dangerous anti-social side of human nature as well as its great potentialities; (b) of the way in which man has used his intelligence increasingly to shape his impulses to social ends; (c) of the essential insecurity, vulnerability, precariousness and imperfection of human society, the fact that man is always experimenting with it, and some of the conclusions to which those experiments of the past and present point; what hope and what warning they embody; and the principles of social action which seem to emerge; and (d) to make the whole process a means of developing the skill for seeing the meaning of facts, of drawing the socially useful conclusions from them.

There is one important reason why this cannot be done; that is, if this heresy were widespread a lot of politicians who teach that the Constitution and the multiplication table are identical in nature would be retired from control over education. Education is what it is because politicians are what they are and politicians are what they are because education is what it is. Can the circle be broken? Possibly, if there is statecraft in education itself to replace "the science of education."

Charles A. Beard, who recently issued a revised edition of his and Mary Beard's "The Rise of American Civilization," is editor of "A Century of Progress," published this week by Harpers.

The London Conference

THE LONDON CONFERENCE. By DONALD B. WOODWARD. New York: Doubleday, Doran & Co. 1933. 35 cents.

THIS pamphlet points toward the London Economic Conference. Mr. Woodward arranges, point by point, the problems that must be settled before any semblance of order is introduced into the contemporary world. The stabilization of currencies, the return to gold bullion bases, the raising of world price levels, the removal of restrictions upon the free movement of capital, the lowering of tariffs—these are some of his prescriptive tonics. They are, as he says, based on *laissez faire*. But Mr. Woodward realizes that "controlled production" may be "the way out." In this case we may expect to see its political reflex in more of the nationalism which he deplors.

The American Duality

THE LONG ROAD HOME. By JOHN MOODY. New York: The Macmillan Company. 1933. \$2.

Reviewed by GEORGE N. SHUSTER

"THE worth while story has to do with the unfolding or shriveling of a soul," says Mr. Moody gallantly, at the beginning of what is both a religious and a business autobiography. His is a career with a Wall Street background; his is also the experience of conversion to the Catholic faith. Thus there is emphasized once more a characteristic American duality, too frequently ignored. The transplanted Anglo-Saxon has grubbed hard for money, but has retained a consistent inner restlessness which sometimes finds expression in an arc of shy but genuine spiritual beauty. Of course Mr. Moody has been more than the customary honest man. His financial writings possess obvious integrity, and his life was an undeviating prelude to the religious fulfillment it has found.

From the business point of view, this is the narrative of another self-made man. The Jersey City of years ago was a hamlet where eight-room houses, comfortable and close to the ferry, rented for \$25 a month. Still, a parent blessed with twelve children and addicted to investing in stocks did not provide for his son the education ardently desired. The hard road onward accordingly led through counting-houses, brokerage offices, newspaper sanctums, and idealistic forays into politics to that hard-boiled eminence from which a mature John Moody could gather the business and financial information that made his statistical service the Bible of money-making America. Contacts with other men helped to determine this career, and it is for pen-portraits of some of them (notably George Foster Peabody and Adolph S. Ochs) that many will turn to Mr. Moody's book. As a whole the picture of America here offered is not prepossessing. But the ink has a tincture of gall rather than of vitriol, and can do nobody anything except good.

The intellectual and religious experience which gives the volume its title and chief significance is representative as well as personal. John Moody was a reader and questioner always. He does not claim to have been a philosopher or scholar, and it may be that much which made a deep impression upon him will not greatly move youngsters of a newer generation. But of his relentless honesty there can be no question. In many ways his cast of mind suggests Edison, whom the same points of view, queries, and problems interested. How, after the skepticism which took the place of early Protestant belief had led to moral quandaries which simply had to be solved, he turned to the Catholic Church, is a story which need not be outlined here. To me the secret moving force is described in the following sentence: "If there is a God at all, He is the Creator, not the cosmos; and if the Creator, He would have to be 'personal'—He could not be 'impersonal.' This was always for me the final answer." In these words one sees expressed, quite unconsciously perhaps, the reason why, despite everything, Catholicism makes so powerful an appeal to the American.

Mr. Moody concerns himself relatively little with Protestantism, which he seems to have abandoned early in favor of the philosophers. The issue in his case was that prevailing disregard for moral standards which he discerned in business as well as political life—a disregard which he did not share and which he may rightly claim to have defied at the cost of many personal sacrifices.

By reason of these things John Moody's book has a greater spiritual significance than might at first sight appear. It is written straightforwardly, is perhaps just a little too spare. But there is nothing unwise in it, and there rings everywhere a hard and irresistible honesty. I think it a genuinely valuable contribution to the many-sided story of the American.

George N. Shuster is Managing Editor of The Commonweal.

Harry Davison

HENRY P. DAVISON: *The Record of a Useful Life*. By THOMAS W. LAMONT. New York: Harper & Bros. 1933. \$3.50.

Reviewed by ALEXANDER DANA NOYES

MR. LAMONT'S book of reminiscences of his friend and partner, Henry P. Davison, is partly a biographical sketch, drawn with an affectionately intimate hand, but equally a description of the great financial episodes which gave to Davison his opportunity for achievement. The book is a running narrative of events in which Davison participated, written with clearness of expression and at times giving a vivid picture of the outstanding financial episodes of the day and of the part which he played in them individually. The personal elements in Davison's success—his clear and immediate grasp of a financial problem, his driving force in setting at work the machinery for solving it, his wide acquaintanceship and strong influence through such contacts, his unsparing expenditure of his own vital energies, and his keen sense of humor—are not the less convincingly portrayed because of the author's restraint and simplicity of style.

Davison's rapid rise to a conspicuous place in the banking community, his successive advancement from one place of high banking responsibility to another still more important, have often been described. He had reached the presidency of a New York City bank at the age of thirty-five; in hardly more than a decade thereafter he had successively occupied the vice-presidency of the First National Bank, had organized the Bankers Trust Company, and had become a Morgan partner.

When in 1908 the reform of the currency was first projected in the reports of the Aldrich Monetary Commission, Davison threw himself wholeheartedly into the work. Not previously an expert in currency matters, he familiarized himself rapidly with the subject, went with the other committeemen to inquire into European central bank systems by actual contact with their managers, and at the end was himself frequently called to Washington to explain in private to public men the nature of the problem.

The next important financial episode in which Davison cut a figure was in the controversy of 1914 over continuance of gold payments on America's foreign obligations when the war broke out and when foreign governments had proclaimed a moratorium on the debts owed by their own markets. The task of convincing the reluctant New York City bankers that, under any circumstances, contracted gold payments must be neither postponed nor repudiated, notwithstanding financial Europe's postponement of its maturing indebtedness to America—converged on the dilemma of the City of New York. Against this municipality, short-term loans stipulating payment in gold and amounting to £13,410,000 at London and 61,500,000 francs at Paris, were due to mature before January, 1915.

Through the strong effort of a few public-minded financiers, the plan at last was reached of assessing upon the banks pro rata the amount of gold with which, if gold exports were required, the City's foreign obligations could be met. The description of this incident in Mr. Lamont's book, is made up of a special memorandum written by the late Dwight W. Morrow, then one of the Morgan partners. Morrow remarks of the negotiations that "the organization of the group of banks was peculiarly the work of Harry Davison. His wide knowledge of the bank personnel, his unusual combination of courage and persuasiveness, made him the man best fitted in New York to enlist the co-operation of all the banks." At the same time, a highly important part in the alignment of the banks to provide for all other necessary gold payment abroad, and the consequent maintenance of the gold standard during the war (practically single-handed) by the United States, was largely due to the driving force and intelligent grasp of the situation by Davison. Through this courageous attitude the United States was created the inter-

tion in which London's historic claim as the international money centre had been relinquished to New York.

In the negotiations for the \$500,000,000 Anglo-French loan of 1915, the same influences came into play; so did Davison's organizing capacity, and his power to overcome opposition, of which there was abundance during the canvass for this loan. Mr. Lamont recalls that "the organization necessary to handle the Anglo-French loan . . . required the largest group for distributing bonds ever organized in the United States. In it were 15,070 mem-



HENRY P. DAVISON

bers, representing all parts of the United States. Its managers consisted of 61 banks, trust companies, and investment houses in New York City." The loan was an emphatic success. The narrative of the successful placing with investors is extremely interesting; many Americans have forgotten the circumstances of that first important venture of American capital in large-scale financing of foreign governments.

It was in May of 1917 that Davison assumed directorship of the American Red Cross as chairman of its War Council. Davison has told his own story, but Mr. Lamont emphasizes some aspects of this episode which could best come from another hand than Davison's. For instance, it is pointed out that, notwithstanding the prejudice against high finance at the White House "the war had not been under way a year before Davison had won Mr. Wilson's complete confidence." Mr. Lamont writes:

Men were attracted to him and freely gave him their affection, their confidence and their loyalty. He still had the simplicity, the humor, and the enthusiasm of the companionable boy who had grown up in the Pennsylvania hills. He had the clearest of vision and a mind, operating with speed and directness, that went almost unerringly to essentials. He was disciplined in manner, tolerant of intelligent opposition, and considerate of the other man's viewpoint and feelings. And behind these talents were high courage and great power of mind and body.

Mr. Lamont recalls discussions of how much of a war fund needed to be raised for the Red Cross.

Various estimates were suggested, none of which exceeded \$10,000,000. When it came Davison's turn to speak, he said impressively: "We are going out for \$100,000,000." Bliss says you could have heard a pin drop, and then came a chorus of protests; but Davison was immovable. "You fellows do not realize," he insisted, "what the Red Cross could mean to the American people in time of war."

From that time on, Mr. Lamont remarks that "nobody spoke or thought of anything else than Davison's 'impossible' \$100,000,000." The first drive actually brought \$117,000,000.

There is an occasional vivid sidelight, in Mr. Lamont's narrative, on the extraordinary incidents which occurred in international finance during the first years of the war. Late in 1916, the British Exchequer had proposed to sell in the New York market, through the Morgans, Treasury bills of the British government by way of anticipatory payment for the increasing war material purchases in America. The Federal Reserve Board had declared the operation undesirable, from the viewpoint of American finance; the Chancellor of the British Exchequer thereupon announced that he "had mobilized the gold resources

of the British Empire, and was covering England's obligations in America by direct gold shipments. In four months \$422,000,000 came." Mr. Lamont remarks:

That gold came in all sorts of different forms and from every quarter of the globe—English sovereigns, bar gold from South Africa, French napoleons, Japanese bullion, Russian imperials, and even German twenty-mark pieces and American eagles. Some of the English sovereigns were, curiously enough, in the same bags in which they had been shipped to Paris and transferred from there to Berlin, when the French paid their indemnity at the end of the Franco-Prussian War in 1871. Thousands of the American eagles turned up in the original canvas bags in which, in 1904, they had been shipped by J. P. Morgan & Co. to Paris in the settlement made by the United States Government with the French interests originally identified with the Panama Canal.

The powerful Wall Street personalities of the day appear, sometimes in highly illuminating anecdote. When the contract for the \$500,000,000 Anglo-French loan had been signed on October 14, 1915, by the two European governments and by J. P. Morgan & Co. as agents for the American syndicate managers, only \$320,000,000 of the formal underwriting pledges by the syndicate had been actually secured. It was still discussed whether the necessary margin could be made up from other underwriters. Pending success in that effort, the house of Morgan had in effect, by its signature, assumed responsibility for the huge amount still lacking. Mr. Lamont quotes the present J. P. Morgan:

The firm must, regardless of the risk, commit itself to do this task. I have faith that the necessary participations will be forthcoming to help us out, whether they come from the sky or the earth or the waters under the earth.

In the account of the panic of 1907 is told a characteristic incident of the famous conference of bankers at Mr. J. P. Morgan's library, to devise means of saving the trust companies on which that period's two-weeks' run had converged. An advance of \$25,000,000 was considered necessary; the older trust companies were expected to provide it. The presidents of these companies hesitated to sign the contract, among them the "dean" of the officials, Edward King of the Union Trust.

Mr. Morgan waved his hand invitingly towards the paper. "There you are, gentlemen," he said. The bankers shifted from one foot to another, but no one stepped forward. Mr. Morgan waited a few moments. Then he put his hand on the shoulder of his friend, Edward King, and gently urged him forward. "There's the place, King," he said, kindly but firmly, "and here's the pen." placing a handsome gold pen in Mr. King's fingers. Mr. King signed. The ice was broken. They all signed.

Alexander Dana Noyes is Financial Editor of The New York Times.

News from Abroad

(Continued from first page)

American reviewing is as honest as the Ten Commandments when compared to some of the English reviewing. And this leads us to a consideration of a platitudinous paradox: that a reviewer, bent on the ultimate health of publishing, should never think of the health of publishing, but only of the book before him. Because an intellectually honest group of critics, back in the days before the war, went into the "game" of newspaper reviewing with no thought of book sales, American publishing of the 'twenties burgeoned as never before. The names of Francis Hackett, of the young Mencken, of Robert Benchley, of Laurence Stallings when he was on *The World*, of numerous others, come to mind. With no thought as to the health, or the profits, of publishing as a business, they yet induced a state of health in publishing by creating public confidence in the integrity of reviewing. James Truslow Adams sees indications of the growth of back-scratching reviewing in New York. There may be, but happily they are not immediately apparent. For the sake of publishing as a business, let us hope they do not multiply. It is good to feel superior to London, and know that one is really superior, not merely provincial. Let Mr. Nathan sing "cock-a-doodle-do" some more.

Books in the News

THERE has been some speculation about the National Industrial Recovery Act and its relation to the book trade. Under the proposed dispensation, which would set aside any strict construction of the Sherman and Clayton Anti-trust acts, would the publishers and booksellers be forced, either graciously or unwillingly, into a national association, with a common code of trade practices? Certainly publishing is not a basic industry in the sense that coal mining, wheat growing, oil production, steel manufacture, and the railroads, are basic. The prosperity of the country as a whole (sad it is to state) could reach 1929 heights without a single publisher making money; and authors are not so numerous that a starving group of novelists, poets, and essayists, suffering for lack of work, could organize a *putsch*, march from Lüchow's near Union Square or Stewart's Cafeteria in Greenwich Village, and seize the reins of power in Washington. There seems to be little cold-blooded reason, therefore, from any point of view, for compelling the publishing and bookselling business to cooperate, combine, agree upon a code, or otherwise obey a blanket ukase from Congress and the President. This remains true, regardless of questions of desirability, good ethics, or what-not. The book trade could, of course, get together and regulate itself, and present agitation may lead somewhere by the free consent of all concerned.

However, if a National Industrial Recovery Act should, by any vague chance, force publishers and booksellers into line before 1940, there are a number of problems that would reasonably engage a Commission with supervisory power. The question of price-cutting would surely be one of the first to agitate the fledgling "brain trust" of the hypothetically organized publishing guild. Enforced uniform practices would do away with the possibility of another internecine war, with publishers of one persuasion plumping for dollar books, and publishers of another persuasion hiring Edward L. Bernays to keep books at the \$2.50 or \$2 level. Bad remaindering practices (that bane of authors) would certainly come under the Mussolini frown of a supervisory board working with the Federal Trade Commission to create single ethical standards. And the Cheney report might, at last, be grist for more than a windmill.

In one sense, the National Industrial Recovery Act philosophy, applied to the book trade, might prove beneficent. In another sense, it might lead to a tyranny which could only be disastrous. Control applied to the end of creating uniform practices so far as merchandising goes, is one thing. Control extended to subject matter of books could, on the other hand, take all the adventure out of publishing. We haven't counted many literary masterpieces coming out of Fascist Italy, where society—even down to authorship—is "planned." Authors should be permitted eternally the habits of anarchy, regardless of what happens to the book business.

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