

Enterprise—Public and Private

ROADS TO A NEW AMERICA. By David Cushman Coyle. Boston: Little Brown and Co. 1938. \$2.75.

Reviewed by PAUL H. DOUGLAS

MR. COYLE approaches the economic problem of the times with much of the precision which characterized his work as an engineer and with the imagination and style of an artist. In this book, he is certainly close to his best as he examines with an honest eye what our difficulties are and what we need to do if we are to make democracy work in the economic field.

The central theme of his book is simple. It is that there is a great difference between costs to the individual and to society and between what pays dividends for one or the other. Some of our troubles are due to ignorance but some are due to this essential disparity. It may have paid individual lumbermen to have leveled the forests to the ground, but it certainly has not paid society which has suffered from alternate freshets and droughts. It may not always pay a hillside farmer to terrace his land but his neighbors below will suffer if he does not. It is difficult for an individual farmer to carry on an offensive warfare against insects but it pays society. Similarly, individual businesses find it impossible to reverse the Niagara-like rush of a business depression by launching new construction and expanding output. But society, operating through the national government, does find it advantageous to start new public works which benefit private enterprise. For unless business men have been too badly miseducated by the orthodox economists, each dollar of added public expenditure will through the operation of "the multiplier" increase the total national income by appreciably more than itself.

All this is, of course, recognized by so able an economist as Pigou, but few of the American group have seen these facts as vividly as Mr. Coyle. Throughout the book, he properly emphasizes the fact that a large part of our governmental expenses increases the true capital assets of society and raise the incomes of individual farmers, wage-earners, and business men. Mr. Coyle insists with great cogency that if these items were taken into account the governmental budget would really be balanced. At the same time, he turns the tables on most critics of the Roosevelt fiscal policy by pointing out that private businesses have frequently been able to show a surplus only by grossly depleting such capital resources of society as the forests and the soil, or by shouldering off upon the community costs in the form of damaged health, etc., which they have caused but

for which they avoid paying. So far, therefore, from curtailing government expenditures on such objects as soil and timber conservation, schools, etc., Mr. Coyle would increase the total outlays, while he also advocates much wider and more generous old age pensions, financed by income taxes. By these and other methods, he believes that a much needed redistribution of income can be obtained, and the effective consuming power of the masses so increased that a larger volume of mass production goods can be purchased and more employment given.

It will, of course, be objected to this that such methods would decrease the purchasing power of the rich by the same amount as they build up the buying capacities of the poor, and hence would give no net stimulus to re-employment. Mr. Coyle has, however, a ready reply to this criticism, namely, that a large proportion of the dollars thus transferred would be saved by the rich but not invested in industry, while if given to the poorer groups would be spent by them for consumers' goods, and hence would increase the total effective demand.

In his attitude toward the control of

business, Mr. Coyle as a wise American is properly a pluralist. He does not want industry to be either one hundred per cent capitalistic or socialistic. Instead, he wants small business fostered wherever practicable, and the power of the private monopolies greatly reduced.

There are but two main points upon which I should like to add a word of caution. Mr. Coyle believes we have saved too much in the past, and seems to find his way out in stimulating present consumption. This is needed. But if we could revive investment, we should find opportunities for our capacities to save, while such a revival of the capital goods industries would also have an indirect "multiplier" which would still further increase the national income. A further lowering of the interest rate may be necessary to effect this revival. Secondly, while I am in favor of Mr. Coyle's program of taxation so far as the principle is concerned, I do not believe that he has quite counted the entire cost of his program, and envisaged the degree of progressive taxation which it would be necessary to employ.

But these are but minor issues in terms of the general sweep of Mr. Coyle's book. In its combination of insight, openmindedness, and toughness of texture, it is in the best of our American tradition.

Fun with Foreign Affairs

LAUGHING DIPLOMAT. By Daniele Varè. New York: Doubleday, Doran & Company. 1938. \$3.

Reviewed by JAMES FREDERICK GREEN

IN these days of "shirt sleeves diplomacy," involving mobilizations and partitions, it is rather pleasant to encounter at least one statesman of the old school, accustomed to consider politics a game for gentlemen and to look at a troubled world with a sense of humor. Daniele Varè, Italian diplomat and author of "The Last Empress" and "The Maker of Heavenly Trousers," tells with wit and charm the story of an active life in Europe and Asia since 1900. His memoirs comprise entries from his diary, reminiscences of public and private affairs and extracts from "That Handbook of the Perfect Diplomat," a collection of epigrams and anecdotes previously published in Italy. They contain no startling revelations of high politics, but describe men and events with the detached amusement of a cultured skeptic who can quote Machiavelli and Lewis Carroll with equal facility. After a daily diet of Hitler, Chamberlain, Daladier, and Benes

in the newspapers, it is indeed refreshing to read that "like a bullet, a diplomat will go farthest if he is smooth" or that "women and horses and governments have much in common. They can all be tiresome on occasion, but it is no use taking offense at anything they do."

This laughing diplomat wanders from pre-war Berlin and Vienna, with glimpses of Joachim and the Emperor Franz Josef, to post-war Geneva, Peking, Luxemburg, and Copenhagen. He combines a romantic encounter with Duse at the Villa Borghese with some farcical episodes at the League of Nations. It was Signor Varè who solved the seating problem at the League Assembly by reserving a section for an imaginary country named "République de Zembla," and who sent his Foreign Office a whimsical account of an imaginary disarmament meeting written by an American diplomat. While the serious-minded reader may take offense at the extremely aristocratic and conservative outlook of the author, and wonder whether the cynicism of the professional diplomat did not contribute to the death of the League, he can only rejoice that some one still finds international relations a source for jest.



Daniele Varè

Translations from the Chinese

BY CHRISTOPHER MORLEY

But Slightly Shaken

IT'S good to see you, O. M.—
It's good to be seen, he replied.
How are you these days?
Well, replied the Old Mandarin
Who had been reading book catalogues:
I'm in good secondhand condition.

Gemination in November

Like trees and shrubs, he added,
I have a false budding
In warm Indian Summer.
But windfall wood in the fireplace
Burns a sweet peppery smell.

The Middle Kingdom

The grievance of the Fifth Decade
Is what students of syllogism used to call
An Undistributed Middle.

Graduate Student

The loveliest pupil I ever had
Was my little Samoyed soubrette
Who used to cry, after every lecture,
"When does the drinking begin?"
And declared that Bosanquet's *Essentials*
of Logic
Was more fun than Sherlock Holmes.

Inference

One of the best and shortest short stories
Was quoted by Bosanquet (from Thackeray)
As an example of Inference from Identity:—
An old abbé, in a party of intimate friends,
Said "A priest has strange experiences;
My first penitent was a murderer."
Later the principal nobleman of the neighborhood
Entered the room. "Ah, Abbé, here you are;
Do you know, ladies, I was the Abbé's first penitent,
And my confession astonished him."

Legacy

The year has made her will: she left to me
A private purse:
Silver and copper from the dogwood tree,
White gold from a torrent, amber from a pond,
And, for my sadness' sake,
Mountains in a bluescape of beyond.
It might be worse:
These will be useful when I lie awake.

Sweet Thames Run Softly

The Dean of Westminster has given permission
To open Spenser's grave
(Where Colin Clout went home)
To see if Shakespeare and others
Really dropped their autographs

On his coffin.
This reminds me:
Last summer some busy ants (or chipmunks?)
Committed a nuisance in our biggest oak-tree.
In a high fork they found a soft spot
And busily they drilled and chiseled.
All that happened is a little dust
At the foot of the Main Stem.

Interview

Q.: Do you believe in a big navy?
A.: I've always wanted to live in a house
With a fence round it.

"Words Are Fossil Thoughts"

In the beginning was the Catchword:
It became fresh and dwelt among us.
Columnists used it, and editors
(The old-clothes-men of the mind)
Until it became a Byword.
At last it went to college
And became an Ideology.

Joad the Obscure

A philosopher is one
Who thinks that fascism is easier to bear
If you call it The Hegelian Theory of the State.
And of course it is.

Song While Waiting at a Stop-Light

The autumn seemed brighter
And cleaner than usual.
I don't know if that was really so
Or because I've been putting
Collyrium in my eyes.
This morning even the curbs and crossings
Were being patterned
With golden paint.

The Mulch-Pile

Don't burn leaves, says Hicks Nursery:
Save them for the mulch-pile.
But what would autumn be
Without burning leaves?
Books, by the way, are the mulch-pile
Of civilization.

"A Glass of Buckle"

Three sociologists with their feet in the cinders
Were defining Civilization.
Civilization (said Groups) is being able
To choose how you will earn a living.
Civilization (said Bunks) is being able
To decide whether you will choose for yourself
Or have the State choose for you.
Civilization (said Yelpers) is where everybody
Works too hard occasionally
And no one works too hard all the time.

Civilization (all three agreed) is having leisure
To attempt to define it.
Meanwhile Civilization was really Old Bill
Who sat quietly with his whiskey
And thought, How young they are.

Quantum Sufficit

Civilization at its toughest
Allows one day in seven for possible thinking
And it is doubtful if many
Have thoughts enough for more than that.

Dutiable

Uncle Sam too has his shibboleths:
At the Canadian border
They show the incoming tourist a Z.
If he calls it Zed
They know he's not a citizen.

Bonwit, You Teller

The failure of literature (as a contagion)
Is that people rarely hear
Of the books that would infect them most
Until it's too late and they no longer care. . . .
If only Mrs. Odlum of Bonwit Teller
Had read my chapters
On the Dramaturgy of the Department Store. . . .

Utopia

My suggestions for America, said the Old Mandarin,
Are so simple that no one will ever heed them:
Racks for hand-baggage on the steamship piers
(To save the stooping of elderly persons
When opening bags for the customs inspection)
And mark the names of railroad stations
So strangers may know where they are.
When you have a public dinner for a good cause,
Less overhead, I implore you.
Less food, crockery, ferns and service,
Fewer speakers,
And let them get started by 9 p.m.

Sympathy

The Old Mandarin was looking
At this afternoon's Five Star Sporting Final Edition
Of the map of Europe.
You *must* try to realize, he mumbled,
That other people are taught other ideas:
The simple Nazi grieves with horror
For oppressed and bankrupt America
Groaning to be freed from mobs of gunmen,
Jewish financiers, and savage Pandas.

Epitaph

"I'm sorry," said the employer:
"I wanted to give your friend a job
But he smelled so strong of booze.
Of course that ruled him out, ipso facto."
"You mean dipso facto."