

The Phoenix Nest

MY realm, as I am sometimes reminded by those who feel that one not averse to verse should not venture to stick a toe into the troubled waters of sociology and economics—my realm is really that of books, and old books at that! But I do not confine my reading to books of poetry. In fact, as I get older, I turn more and more to history, biography, and s. and e. as above stated. Therefore, it is inevitable that some comment on such things, and upon current affairs, in which it is also impossible not to be interested, should creep ever and again into this wayward monologue. It annoys some people very much. It has incensed Edwin C. Crampton of Raton, New Mexico, because I have been "unfair to Herbert Hoover" (though it was Miss Rebecca West who started that!), it aroused a many-paged diatribe from someone in Jersey, it has caused Frank W. Lucas of San Francisco to tell me gently:

You announce that "we have seen unfettered initiative and free enterprise run the country into a hole." You have overlooked apparently that all nations run into a hole at intervals and then they run right out again. On a trip to Buenos Aires I had occasion to consult a telephone book. Serving a population of two million, it has the same number of subscribers as has Sacramento, California, with a population of 100,000. In the U. S. A. the poorer classes, over which you and your collaborators shed so many tears, have telephones, radios, bathtubs, jalopies, and even pianos. I enjoy so much what you write about things you know. Please omit economics.

I thank Mr. Lucas, but it is impossible for me altogether to omit economics, because I am part of an economic system which will not omit me or millions like me. It conditions my whole way of life, and it is far from being perfect. Therefore, I shall continue to lay about me at times when I think it necessary. I have even contemplated writing an article, "Conservatives Are Always Wrong," and, strangely enough, this has not been inspired by weeping into my alphabet soup over the woes of the proletariat, but by contemplating the history of aviation in which I am also interested (Sorry!) Also Mr. Lucas's picture of countries running in and out of holes with the agility of prairie dogs does not strike me as quite accurate. And, again, the idea of a self-adjusting economic system had, I thought, been thrown overboard long ago by the best minds. It doesn't self-adjust, or it takes so long to stagger back, in the present state of the interlocked and complicated world, that you have very nearly

chaos in the meanwhile. But I am a mere amateur at these matters, and I am going to play fair and give you a letter from a business man. Mr. Paul S. Grant, who is secretary and treasurer of The Milwaukee Company of Milwaukee, Wisconsin (and I don't know how large a corporation that may be, or how small a business, though I probably should), has written the following. I answered his good letter in my usual random way, spilling my notions out helter-skelter—but for those of my readers who think I am unfair—and I dare say I am often quite as unfair as they are—here is Mr. Grant's view of the situation, and they have a right to take a crack at that too, if it happens to annoy them. It doesn't annoy me, though I do not altogether agree with it. It is reasoned and calm argument.

May the typewriter speak to the theorbo? You say, "if it be a moral," and that may take the edge from my comments, but let an investment man early fallen from the grace of the academic life write to the poet who discusses Big Business.

You did not capitalize the words "Big Business," but there are others capitalized, and used as an epithet, a technique of politicians who wish emotion to displace reason. Carl Snyder and Norman Silberling have analyzed factually, inductively, the historic relationship of wages paid workers to the value of the product, and have found that there is so constant a ratio that it seems to be fundamental. Perhaps that ratio will change, either by a fundamental change of our economic system, or by some shift within the present system not foreseeable by these authors. Without research, I cannot prove it, but I have a feeling that the greatest change now going on is that, out of the dollar of value produced, not labor, but the government is getting a greater share, and the shareholder less. In the long run, from study of many decades, these authors say, labor's increased rate of pay doesn't produce more real income. What produces—and has produced in our country—a higher standard of living is greater productivity per man hour.

And what produces greater output per hour per man? The application of mechanical power, electricity or internal combustion engines, doing man's work for him, so that labor is tending or directing machines which do many times what each man could do with his muscles. And it takes capital to assemble these machines, and management to plan their operations, and while you have your choice between private capital and state capital, is there any doubt of the choice?

It takes profits to attract capital and to create capital. Is there anything immoral about profits? Eliminate the emotion from the word and assume that a business is run, as most are, with a fair deal for

labor; isn't the shareholder entitled, for his risk, to an equally fair deal,—the chance to make a profit and get some dividends? There are many who would like all savings to go into government bonds. These would direct the whole flow of capital into "socially useful" projects, but I can foresee in that case a stagnant and wasteful civilization. Isn't the quick elimination through bankruptcy of uneconomic private ventures better for us than bureaucratic competition for funds raised by deficit financing, and no test but political expediency?

Probably we agree, that free enterprise policed, but not controlled, by government is what we should have, and my experiencing in financing shows me clearly some of the rules we need. But I assure you that finding the judicial temperament to administer a law is much more difficult than writing the law; and that labor needs protection against its professional organizers and spokesmen as much as it does against its employers. Money is only a symbol. It is one of the major symbols of power, but other symbols are the titles senator, or fuhrer, or state organizer. There are many ambitions, but the unselfish man rarely gains power, whether it be in an organization, or in politics, or in business. Ambitious men need to be restrained. The misled, short-sighted rank and file of workers, and the thoughtless, indifferent investor, need enlightenment and help and protection.

After all, isn't labor's interest identical with the business man's? Don't they both want full production and active business? Don't wages and profits go up and down together? If both sides can realize that they are on the same side, a constructive policy will be bound to result, and name-calling must stop.

One more comment,—on your quotation from Mr. Dreher: He uses the first year of rearmament as a sample of the excess-profits tax. The rate now is 90 percent. Perhaps now the yield of the tax is more than a drop in the bucket, but if it is still only a drop in the bucket, then what of the tenth of a drop left to business? It can't be a "cashing in" on the war for any one to mutter about except the poor business man who works 90 percent for Uncle Sam. The quotation may have been obsolete when you used it.

WILLIAM ROSE BENÉT.

SOLUTION OF LAST WEEK'S DOUBLE-CROSTIC (No. 483)

G. K. CHESTERTON:
ON PIGS AS PETS

We do not know what fascinating variations might happen in the pig if once the pig were a pet. There may be little frisky, fighting pigs like Irish or Scotch terriers, there may be little pathetic pigs like King Charles' spaniels.

