

HERBERT LEHMAN: "SILENT DYNAMITE"

BY SAUL LEVITT & ALLAN CHASE

MR. HERBERT H. LEHMAN's candidacy for Governor of New York State in 1932 received the support of hitherto antagonistic groups. The *Nation* paid him fulsome praise. Mr. Lehman, it appeared, had answered the appealing strains of the call to public service, and had given up a career in the third largest banking house in the country. Wall Street's favorite evening paper, the *New York Sun*, liked his background, but deplored, mildly, his past receptivity to State aid of welfare projects. However, it amended this slight objection with the observation that the Colonel had appeared to have reached sounder conclusions. The *Sun* believed it discerned in the candidate the outlines of a worthy Scrooge.

These two commentaries, from journals whose aims are nominally in violent antagonism, were included among others which approved his candidacy. There has rarely been in the Empire State such unanimity of editorial support for one gubernatorial candidate. The *Times*, the *Hearst* and the *Scripps-Howard* papers, in addition to the organs already mentioned, backed him to the limit.

It was a case of lions, lambs and other beasts lying down together. Mr. Lehman became that rarest of political blooms, the rich-man's poor-man's beggar-man's kind when New York's tabloids swung into line. The tabloids said essentially the same thing about the Democratic candidate that the *Nation* was saying, but their eulogies had a

resounding ring. It was a situation in which the popular gazetteers for the Man in the Blue Shirt had got together with those who do this job for the Man in the White Collar (now slightly frayed), the two of them working alongside of the press which speaks for the Man in the Boiled Shirt.

Smith made the nomination speech at Syracuse; he paid his respects to the heart and soul of Herbert H. Lehman. It was an Irishman talking for a Jew; it sounded pure. It was a Smith speech. Tammany was somewhat sullen, remembering Roosevelt and the Seabury investigation, and that Mr. Lehman was a very good friend of Mr. Roosevelt's, and it would have been pleasant to stick a long knife deep, deep into the prestige of the Presidential candidate. But with so many other good people behind Mr. Lehman (not excluding possibilities of Federal patronage), Tammany joined the parade.

A smart fellow on a New York tabloid had called the philanthropic banker "Silent Dynamite," and the Democratic committee publicity man took this modest characterization and placed it in boldface type on the cover of a campaign pamphlet. In this pamphlet Franklin D. Roosevelt said some nice things about Herbert H. Lehman, and Alfred E. Smith said other nice things. The man called "Silent Dynamite" could do little else in such a true-blue atmosphere but win handily, which he did. A fellow by the name of Colonel "Wild Bill" Donovan ran on the

Republican ticket. He is barely remembered today.

There are bankers and business men who would be afraid to bear the burden of so formidable a myth as has sprung up about the current Governor of the Empire State. It is a sense of realism which makes Mr. Morgan stick exclusively to the art of money-making; Mr. Lehman, however, has found it necessary in the course of twenty-five years to make occasional little ventures into other fields, and these little ventures permitted the growth of a legend of versatility.

II

There is no earthly reason for the belief that Mr. Lehman is anything but a banker. He always was a banker, and he will remain one all his life. His father was a cotton merchant in Montgomery, Alabama, who knew and was a friend of Jefferson Davis. After the Civil War he traveled northward, became one of the founders of the New York Cotton Exchange, and since that time the private banking house of Lehman Brothers has grown steadily in prestige and power.

There is no need to explore fully the psychology which contributes to the success of such enterprises and which enterprises in turn demand and create conservative virtues. From Williams College, Herbert H. Lehman went into the banking business and has been in it ever since, at least until January 3, 1933, when he resigned as a partner from the firm of Lehman Brothers, and became Governor of New York State.

What did he accomplish in all the years before 1933? Nothing, save make money and platitudes about honesty, patience, kindness, and hard work. He seemed to be seeking an integral relationship be-

tween the community and the business man; he felt that there was an obligation on the part of the business man toward society, and this obligation consisted of charitable works. In short, he was a Financier-Boy-Scout.

Herbert H. Lehman's impulsion toward Service had manifested itself in association with Lillian Wald in the early days of the Henry Street Settlement, contributions to a good many charities and welfare organizations, and a willing ear to tales of suffering or starvation or disaster of some kind or other, both here and abroad.

These deeds, together with the congratulations and esteem they returned to him from social welfare groups, must have strengthened in his mind a devotion to American institutions, to America's tried political and social *mores*. Herbert H. Lehman is in his own way a 100% American, somewhat less dramatic in his presentation of that creed than Hamilton Fish or Ralph Easley, but none the less rock-ribbed. He calls for more business men in government; he says that national prosperity is dependent to a large extent on world prosperity; he does not think that government should interfere with private enterprise; he ventures boldly into *Welt-Politik*. "I sincerely believe," he says, "that the prosperity of the world, to a considerable extent, during the next few decades will depend on the speed and completeness with which older manufacturing countries can secure markets in non-industrial territory of the Near East, Far East, India, and certain parts of South America. New markets can be secured only through intelligent coöperation between our business leaders and our government officials."

Herbert H. Lehman is evidently alert to the future of American industry and finance abroad, which is a more pleasant way of stating that he is an imperialist.

But even in his imperialism, the banker-who-became-Governor is no Cecil Rhodes; he is a quiet and soft-spoken gentleman. There is none of that high-binding, shrieking patriotism about him which distinguishes the genus, jingo. He did his part during the war and did it quietly, that is, he was content to follow the slogans which made the War one for Democracy and which called the Germans Huns—he was content to do these things in a meek and self-effacing way. He sought service at the front and his letters to the big men in Washington had a pleading note; it was a case of wanting badly to Belong. Through all his career, Mr. Lehman has wanted very badly to Belong, to be right in the approved American sense; and this is the theme of his testament; it has been the theme of his life, this very pleasant fusion of Service and Big Business.

This, perhaps, is his most peculiar characteristic, a very dogged and unilluminated and deliberate following of tried roads.

Whatever he has said and done has had this flat and gray quality, whether it has been about Taxation or Economy or Patriotism or Education; you have heard it all before and yet it astonishes you in this respect—that it has been *consciously* worked out in Herbert H. Lehman, whereas, these clichés of Americanism from the lips of Hamilton Fish or Mr. Hearst have a spontaneous sparkle to them.

And so, too, when he speaks of other Americans, there is this desire to emulate the noblest of the Romans. "All thinking men," he wrote in 1931, "now agree there is such a close interrelation between business and diplomacy, that, in the handling of many international questions, business training may well be joined advantageously with diplomatic skill. The fact that the solution of almost all of these very impor-

tant international politico-economic questions has been in recent years entrusted to business leaders, such as Owen D. Young, Charles G. Dawes, Parker Gilbert, and Albert H. Wiggin, is evidence that there is already a widespread recognition of the fact that, to an outstanding degree, they can best be solved in coöperation with intelligent, sympathetic and far-sighted business leadership."

Time has dumped Mr. Lehman's Four Horseman of American Finance on the chute to oblivion. It has dumped, as well, a good many other horsemen, together with a good many fallacies. Amidst the wreckage we are not surprised to discern the figure of Herbert H. Lehman and the liberalism which sponsored him.

Mr. Owen D. Young, characterized by the wish-fulfillment mind in this country as a "benevolent capitalist," has since become identified with the débâcle of that wanderer through Asia Minor, lately returned to Chicago. Mr. Dawes lost caste on a certain day in Chicago when the unpaid school-teachers of that city stormed the corridors of his bank and demanded their back wages; they were demanding them out of those \$90,000,000 his bank had received from the RFC. Mr. Dawes, one of that group holding the financial whip over Chicago, told them to go to hell. Young Mr. Gilbert's high-financing in Europe has not lessened the tension of the Continent, as the foreign events section of your newspaper tomorrow will show. Mr. Albert H. Wiggin, one-time Hoover lieutenant in that valiant campaign which was to wipe out the depression with a smile, has likewise suffered a sea-change.

Not poetic, but very grim justice indeed has been at work, lowering the flag of Mr. Lehman's prestige at Albany as it has lowered the flags of those whom Mr. Lehman asked us to follow.

When he assumed office, the new Governor was not, as is generally believed, altogether foreign to the machinery of practical politics. He had known Alfred E. Smith for upwards of twenty years, and had managed the Smith gubernatorial campaigns since 1918. By 1928, he had evidently garnered sufficient political lore to be entrusted with the post of finance director of the Democratic National Committee. To a large extent, this dissipates that portion of the Lehman legend which insisted on proclaiming that here was a Cincinnatus plucked fresh from the innocent pastures of banking and business.

III

The new Governor, within a period of five months, established a record which smashes utterly the myth of the humanitarian banker who was going to be a humanitarian Governor.

In his first month he unleashed a devastating program of economy, which, in its effects, was designed to tap the pockets and impair the welfare of the small business man, the petty middle class, the farmers, the workers, the schools. Before the first session of the legislature ended, Governor Lehman's initial economy proposals were written into the law.

Exemption levels for the levying of the State personal income taxes were lowered from \$4000 to \$2500 for the married, and from \$2500 to \$1000 for single men and women.

A sales tax was levied which covered most manufactured articles, and this was not a luxury tax, since it covered such items as gasoline, clothing, furniture, tools, and other every-day items.

Pay reductions were sweeping; salaries were reduced for all State Civil Service employes earning \$2000 and more; manda-

tory increases in the State Civil Service were suspended for the second successive year.

A moratorium on the State's customary \$25,000,000 yearly contribution to the common schools was declared. (In another session of the Legislature a permanent \$13,000,000 cut for education was put on the books.)

The executive budget, it is true, was the lowest any Governor had prepared for the State in the last decade, but at the same time the tax program reached deeper into small incomes than at any time in the last decade.

The legislature balked for four months before underwriting this program. Savings to the State were implied, but budgets have their very human connotations, and these connotations are sometimes registered at the ballot-box. These four months were a period of denunciation, counter-denunciation, jockeying and log-rolling.

During this period the Governor and the Legislature were brought face to face with methods which might have made unnecessary one or more of the economy measures. It was indicated that the utilities had earned, in these times, some \$35,000,000 above the 6% allowed by regulation. Had the tax of one half of 1% of the gross earnings of public utilities been raised to 4%, the \$35,000,000 would have flowed into the State treasury.

This "economy" program should have been forecast by the private economy programs of those corporations on whose board of directors Herbert H. Lehman was serving at the time of his nomination and during the time he was Lieutenant-Governor of the State. The Studebaker Corporation, the Kelsey-Hayes Wheel Company, the Franklin, Simon Company, the Abraham & Straus Company, the Van Raalte Corporation, the Interstate Depart-

ment Stores Corporation, and the Murray Body Company, to name a few, had enforced many wage-cuts since 1929.

Governor Lehman is a mild-mannered Tory, but a Tory just the same. His labor legislation is another proof of his Toryism. Here he was a bit subtle. No politician at Albany can afford to leave the State Federation of Labor alone. The Federation is in politics up to its neck. It is an effective stop-gap on genuine labor legislation, and as conservative as any reactionary would desire.

Its endorsement of the Governor had been carefully angled for during Mr. Lehman's period as Lieutenant Governor. He reciprocated this endorsement in 1933 by sponsoring the Byrne bill for unemployment insurance, which was "not to become effective . . . any earlier than July next year, and not then unless there has been a marked upward trend in industrial activity and earnings."

The Governor here was calling for unemployment insurance when there would be no unemployment. In 1934 the Federation drafted a superior but still mediocre bill. This he did not endorse. He was at this time veering away from the idea of a State-wide pooled reserve system; more conservative influences were at work toward the adoption of a separate reserve system which is at once company union in odor and hardly enforceable in actuality, and toward this method of insurance the Governor is inclined today.

Neither system would thoroughly protect working men; they made no provision for those unemployed at present; they promised a miserable pittance and that only for a limited time; they required a long previous service on the part of the worker before he would be permitted eligibility in the system; they did not call for State contribution.

In effect, they constituted a system of *compulsory saving* rather than unemployment insurance, and savings are not part of the budget of today's wage-scales. However, weak as the 1934 bill was, it implied the establishment of a precedent, and the dangers of this precedent—what with the growing nation-wide movement toward unemployment and social insurance at the expense of government and employer—have driven the Governor into the camp of the Tory enemies of social legislation.

Nothing meritorious has emanated from the Executive Mansion in the year and a half of Mr. Lehman's incumbency in respect to labor. As Lieutenant-Governor, he had earned the plaudits of the liberals for his "successful arbitration" of a large Needle Trades strike in 1930. Thirty thousand workers were out for increased wages, the abolition of the speed-up system, the elimination of the non-union sweat-shops, and for a restoration of the forty-hour week. None of their demands was granted. He had also "successfully arbitrated" other strikes.

Even in regards to the minimum wage the Governor has been unduly cautious. There is a story which illustrates his vacillation very well. The ladies of the Consumer's League had journeyed up to Albany and had sat themselves down with the Governor at the Executive Mansion. The Governor had asked them just what they wanted of him. "Why, Mr. Governor," the ladies fluttered boldly, "we want the best we can get." This request the Governor heeded by supporting neither of the two bills then before the legislature. The legislature passed both bills and left the choice to the Governor. The jolly buck-passing was concluded with Mr. Lehman affixing his signature to the Wald Bill, making mandatory a minimum wage for women and minors. It was obviously

superior to the miserable non-mandatory legislation which was also before him, and though he signed it, he did so when it was impossible to escape with good face by following any other course.

A similar course of vacillation and downright opposition has attended his activity on such questions as old age security and mortgage relief. Out of the Governor's numerous philanthropic affiliations have grown up many touching tales, and not the least of these is the story of the old woman whose bundle the Governor carried to the elevator in an Albany hotel. They told this one at campaign time.

Old age security was supposed to be a passion with him, but he showed his passion with these figures: he cut the old age pension budget by \$600,000, and the legislature followed him and cut further into the reserves, making a total reduction of \$1,100,000, and consequently reducing the per capita pension of some 52,000 ancients from \$24 to \$20 per month. Further, he refused to consider any improvements in the Old Age Security Act.

This account of his actions on the old age pensions must be juxtaposed with his record with respect to mortgage relief, in order to bring out his sound political acumen. In the one case he was dealing with infirm ancients whose voting strength is about nil; in the other he was facing an embittered mass of small home-owners who were swinging back at the grim process of foreclosure. The banker instinct which wanted a solvent budget above an humanitarian one was now torn between the necessity for relieving bankrupt home-owners and protecting those sacred profit-producing processes which Mr. Lehman has revered for twenty-five years. The banker instinct was satisfied by executive initiation of a moratorium on foreclosures, which was not a moratorium at all.

The Lehman moratorium applied only in those cases where the obligations of tax and mortgage interest had been met. But the people who could meet these obligations were precisely those who were least anxious about his help. Most home-owners cannot pay interest. The hollowness of the Governor's gesture was immediately exposed, bringing down on his head a torrent of denunciation from small home-owners associations.

IV

But the most acid test of liberalism which is afforded in these modern times—the strike—was thrust upon the humanitarian in the Executive Mansion during the hot summer of 1933. The farmers, having failed to force a cost-of-production price for their milk through the Lehman appointed State Milk Control Board, took matters into their own hands and went out on strike to the number of approximately 45,000. The man called "Silent Dynamite" exploded with a detonation which still echoes in the ears of every dairy farmer in the State.

A liberal course of action would have paralleled that taken by Altgeld of Illinois in the Pullman Strike. This course is the negative one of withholding the police power of the State from entering into the dispute. The invoking of Constitutional chestnuts to break strikes is the time-honored method of American reaction.

Governor Lehman's attitude at the very outset of the farm revolt implied that the authority of the State was the single issue at stake. During the unfolding of the strike he climbed to that point of agitation which led him to repeat the old hokum that the uprising was "not the usual conflict between worker and employer. It is a strike to nullify and defy the authority

of the State itself." The clubs of the State police took the Governor's cue. The mayor of Boonville protested to him the brutality of the State Troopers, but the Governor replied pompously: "If in the performance of their duties, persons are injured, the fault will be theirs."

Escorts of armed State police were given to those who had decided to run milk through the picketed zones. There was a big profit in scab milk. The strikers proposed a one week truce; this was turned down by Governor Lehman with more strong language on the Authority of the State. The embattled farmers muttered profanely that the Governor was "an errand boy of the Milk trusts."

The New York milk strike was but one part of that spontaneous national farm revolt against middlemen (in New York, National Dairy and Borden), which swept the country last year. None of the farm State Governors emerged with enhanced prestige. Of all these chief executives it may be said that Governor Lehman was the most heatedly outspoken against revolting farmers.

Several groups stood to gain on a lower-than-cost production price for the farmer's milk. It is interesting to note that the Lehman Corporation as of June 30, 1933, owned 28,000 shares of the common stock of National Dairy, and that H. M. Lehman was on the board of directors of the same corporation; that American International Corporation, an investment trust, whose portfolio contains 4,000 shares of Borden, 4,000 shares of National Dairy, and 4,000 shares of Lehman Corporation, and of which Arthur Lehman is on the board of directors, was also, perhaps, concerned with the price that the farmer might get for his milk.

The farmers, of course, went home. Taxes on the average run several hundred

percent higher on farm property than they did a decade ago. The Lehman economy program had cut into the miserable appropriations for rural schools. Sales taxes were now hitting at their already scant urban purchases. Many of them feed their milk to young pigs. In New York City slums consumption of milk has dropped because the retail price of thirteen cents a quart is too high.

V

Still, if the Governor did not emerge a hero from this situation, there are people who admire the clean thrust of the economy sword through the knot of New York City's finances. They like to say that the business-man-Governor forced the La Guardia Bill through a recalcitrant legislature, just as they like to find leadership and courage in his handling of labor and social legislation at Albany.

But one deflating fact emerges out of this so-called triumph. It need not be shouted from the house-tops at the top of one's lungs that the LaGuardia bill, as finally passed, brought the largest city in the world under the thumb of the banking fraternity.

Economy proposals for the city, pushed by the Governor in the Fall of 1933, hatched finally into a most remarkable banker's egg. It bore close resemblance to the State Economy program passed earlier in the year. Its solution for the future solvency of the city did not touch those vast resources which have so skilfully evaded Federal, State and city taxation. On the other hand, it carved good slices from the appropriations for social services. Savings banks, public utilities, insurance companies and commercial banks escaped unscathed. In other words, the price for solvency was a hands-off pol-

icy in respect to taxes upon the wealthiest of the taxpayers.

When LaGuardia was inaugurated as Mayor last January, he sought a free hand in the dictation of New York City's fiscal policy. The little-man-in-the-black-hat demanded of Albany and the world recognition of his good intentions. The Governor turned him down; it was a question of Democracy *vs.* Dictatorship. This country, as everybody knew, was not Russia. This little duel between Democracy (as played by H. H. Lehman) and Dictatorship (as played by F. H. LaGuardia) culminated in a situation which clearly showed the hand of Democracy (Mr. Lehman's hand) triumphant over the hand of Dictatorship (Mr. LaGuardia's).

It was good politics; now the politician became banker again and assumed the burden of cramming a revised LaGuardia bill down the throat of the legislature. His distress soon alarmed Washington. Four months later it was still to be crammed. In this situation, with the prestige of Roosevelt's one-time "right hand" and a good Administration Democrat at a very low ebb, "Gentleman Jim" Farley, the Administration's walking delegate, showed up at Albany. About the statesman-like brow of "Gentleman Jim" there floats the magic halo of patronage. The hapless legislature, under the kindly eye of the New Deal's walking delegate, succumbed finally to the blandishments of the Economy Bill. The bankers will get all their money on time, and the city educational and charitable organizations will suffer.

What of the Governor's public utility program? The liberals shouted that here was "Socialism in Our Own Time." They forgot these things: the ever stalwart American Constitution and its many loud defenders, the Supreme Court, the holding companies and the power lobby. They

forgot as well the tremendous deficits of today's municipal treasuries, the banker whip-hand over many of these municipalities.

The significant aspects of the Governor's program allowed towns to operate power plants; it authorized the Public Service Commission to establish a temporary rate of 5% on the valuation of a power company during a rate hearing; and it provided for a weak measure aimed at the control of holding companies.

When passed, this program brought upon the Governor's head accusations of Bolshevism from Wall Street, which watched utility stocks tumbling. The future of the utility business indeed looked bad, and the national and State power lobbies put on a fine public display of sackcloth and ashes. Privately, however, the inner councils of the lobbies had other ideas. In Wall Street there were groups who anticipated the immediate effect that the program would have on the speculative market, if the bill were enacted. A thousand-fold army of small utility stock holders were slated to dump their holdings the day the bills became law. The army was stampeded in proper fashion in the Spring of 1934; a minor slump ensued on the popular utility market. Wise utility holders had sold out months ahead. Appended below is the record of one investment trust with respect to certain common stock holdings between January, 1933, and January, 1934. The investment trust was none other than the Lehman Corporation.

January, 1933.		January, 1934.
17,780	American Gas & Electric	5,400
20,000	Columbia Gas & Electric	2,000
2,000	Commonwealth Edison	None
9,800	Consolidated Gas & Elec. of N. Y.	None
10,000	National Power & Light	None
11,125	North American	None
7,600	Pacific Lighting	4,000

2,100 People's Light, Gas & Coke None
 27,100 United Gas Improvement 1,000

Apart, however, from the effect of the program on Wall Street, what of Socialism in Our Own Time?

Municipalities have the right to operate and distribute power. Very good, but there is still a million-branched power lobby working for a twenty-billion dollar business. This means subsidized and hired opinion *within* and without local councils. It means the snarling of local referendums on the issue—possibly for years.

Where lobbies fail, courts sometimes succeed, particularly the Supreme Court. It has smashed efforts at control of holding companies. Legally, it has created a condition which leads, ultimately, to such situations as the Insull mess. It has halted a thousand honest efforts at firm control. Astute constitutional lawyers such as, say, John W. Davis, have demonstrated in practical terms that just about anything can be proved by the Constitution, including the damnation of public ownership.

Where the courts fail finally, there are bankers and there is a depression. Bond issues must be floated for the establishing of public power. How many cities are prepared, legally and financially, to float issues, in the face of present-day deficits? Very well, then, bond issues are floated, but financial groups can sabotage them, damage city credit, dictate fiscal policies (as they are doing in half the cities of the country), and one of the terms of that dictation can well be—no public ownership.

Any one or more of these things is most certain to sidetrack public ownership. What worked out in Ontario may not work out in this country, for the simple reason that private ownership was never as concentrated, never as wealthy as it is today in the United States.

New York State has not committed it-

self to a comprehensive and really sound program designed to bring about an ultimate public ownership of public utilities; there is nowhere indicated a financial and legal partnership between town and State which might be able to bridge the deep moat between public and private ownership of public utilities. Objectively, the Lehman program must be regarded as a political concession to the recently awakened public awareness of its valuable power resources. In due fairness to the Governor, it must be said that public ownership is well-nigh impossible in a State program, even assuming that he sought this end. In any case, however, he is not the "Bolshevik Governor of New York."

The vaunted liberalism of Herbert H. Lehman has not materialized for the simple reason that it never existed. What did exist was a set of hackneyed shibboleths which have been revealed as altogether inadequate in these troubled times. Mr. Lehman is almost as perfect an example of the failure of the Public Service-Business Man idea as was Mr. Hoover. The Governor's philanthropic ventures prove nothing; if pressed, one can merely make the regrettable observation that American capitalism has made for itself the necessary tradition of petty tribute to the disinherited.

Liberals have accepted Herbert H. Lehman's philanthropic and other ventures outside of his actual business for twenty-five years as tokens of a disposition towards enlightened social action. Their easy logic does not contemplate possible hostility between sound banking and sound humanitarianism. How far can liberalism travel in the company of high finance? What have bankers to do with the *débâcle* of Cuba? Of China? Does liberalism sanction wage-cuts? Economy in these days calls for wage-cuts; bankers sponsor economy.

Liberalism might not condone the financial support of Adolf Hitler. Does financial support of a German key industry mean support of Adolf Hitler? It happens that supposedly liberal American bankers own stock in German industry. The Lehman Corporation owns large blocks of stock in the Dutch and American subsidiaries of Glanzstoff; it is represented on the board of directors of the wholly German-owned, German-controlled American subsidiary.

Going a little further into the possible hostility between humanitarianism and banking, it develops that Vereinigte Glanzstoff Fabriken, A. G., is the largest rayon concern in modern Germany. Rayon factories are convertible, on a day's notice, into factories for the manufacture of nearly all known propellants and explosives. Nitro-glycerine, picked at random from an imposing list of such explosives, has various uses, one of which is the blasting of oil wells; it is also used in war.

At this point one leaves the liberals to determine further implications, such as the relationship of this last-mentioned use of nitro-glycerine and the Nazi philosophy.

All this is said calmly, in no attitude of profundity, and with no intention of frightening you off bankers if you enjoy their company. But we believe it illustrates some degree of conflict between liberalism and successful financing.

We are finally brought to a brief consideration of that very significant change which has affected American psychology since 1929. The old attitude existed in the midst of a relative plenty whose origins were largely unquestioned. It permitted those pleasing but impotent gestures of which Mr. Lehman's past was not free, and which are summed up in the word, reformism. The bankruptcy of reformism has been expounded often.

The new psychology, however, begins to probe deeper into those categorical alternatives preliminary to wholesale social change. Clarence Darrow's duel with the N. R. A. and General Johnson grows out of this mounting awareness that modern issues, political and social, demand the categorical answer. Those who still champion reform, philanthropy, the back-to-the-farm movement are flailing about in a historical Dead Sea.

Mr. Lehman flails about in a Dead Sea at Albany. He had the misfortune to ride into office on the last wash of old America. He was burdened with a philosophy which is being rapidly propelled toward the scrap-heap. The problems of legislation confronting the Empire State are similar to those confronting the nation. Mr. Lehman could not furnish a categorical answer; he played compromise politics which ended inevitably in sound American Bourbonism.

For modern legislators, middle roads such as are indicated by the brand of politics Mr. Lehman has played at Albany, grow steadily narrower.

Problems are posed in the stringent depression framework of America in such a way as to make answers to them clearly indicative of partisan political and economic motivation. In this clearly indicated modern situation which has illuminated, as never before, the binding relationship of state and industry, through the tense medium of 2000 and more strikes in the last year, the Governor of New York is to be marked down as reactionary. His program for the State, it is claimed, rests on the principles of the national program promulgated by his close friend and political mentor, Franklin D. Roosevelt. If this is true, seek the causes for the President's popularity in his greater political sagacity and personality.

FIRST ENCOUNTER¹

BY SIGRID UNDESET

I CAN'T remember what my age was that birthday when I got my doll Gerda. But it was before I began to go to school, and after my mother had tried to teach me my ABC and backstitch in spite of my streaming tears. So I suppose I was seven.

But I remember that morning. I must have been kept in a few days for some reason. For I have it in my mind that the birches seemed to have burst into leaf in a single night.

We were living in Lyder Sagens Street at that time, and there were houses only on one side, villas standing in gardens. On the other side was a field. It was a rather remarkable field. In the upper part of it the big children of the street used to play ball—and there were some little outcrops of rock and heaps of stones which we made into play-rooms, and a stream of dirty stinking water where we could get our feet wet, and a nettle-bed down at the bottom by the fence of the Commodore's garden; within the nettle-bed there were a few miserable little raspberry bushes, and from mid-summer on we got our arms and legs stung all over searching for unripe raspberries. And then we could stand there and look into the Commodore's garden. They had no children, the Commodore and his wife, and none of us had ever been in there. But there were apple trees and pear trees and cherry trees and beds of rhubarb and

carrots and quantities of radishes. What a big garden it was, and what a lot of fruit there was in it—we used to tell one another the most fantastic stories about it.

Then one day there might be a horse tethered in the field. Or we might even find two or three cows grazing there. And then we stood at a safe distance from these strange animals and sang:

*Moo-cow, moo-cow, moo,
They're coming to catch you!
Oh no, oh no, oh no,
Mamma won't let me go!*

The bigger children actually told us that one autumn a whole flock of sheep had been in the field for several days. But we didn't quite believe that; at any rate we didn't expect such a remarkable thing to happen again. For there were many of us who had never seen a live sheep—we were little town children, all of us; the smallest of us had never been in the country. But we hung on the fence and called to the cows and sniffed in the warm, milky smell of cattle, and thought of the wonderful world which began on the other side of Church Road, a long way off, where we were not allowed to walk by ourselves—where there were barns and byres and stables and quantities of horses and cows and sheep, and perhaps there were actually billy-goats!

Well then, it was a fine bright morning in May, and I had been given a doll's pram and the doll Gerda. I had on a white frock which I hadn't yet managed to get messed.

¹The translation from the Norwegian is by A. G. Chater.