

Review of  
Polsky

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512. THE REVIEW OF POLITICS

present as well as of the past. The book to be reviewed shows all these advantages—but the corresponding disadvantages as well. In this publication as in others Professor Beard deals with economic subjects without making any attempt at terminological clarity. For example, when dealing with the "Great Depression" the authors reject any regard for business cycle theory and continue: "The present volume... is concerned only with what actually happened and what was actually done in the circumstance." (p. 68) Of course, we want to know not only what happened, but why it happened, and not only what was done, but whether the things done were well done or not. "Facts" tell us nothing about that; we need interpretations, and theoretical thought alone can provide them.

This does not mean that all is wrong about the opinions expressed by the authors. In particular, the criticism of indefinite deficit spending shows good horse sense. The concluding chapter on "The Class of Competing Foreign Politics" (p. 233), however, was quite unnecessary. It repeats what Dr. Beard has often said before, and not everybody will believe that the political labels with which the authors tag their opponents will serve to clarify the discussion.

—F. A. HERMENS.

POLITICAL PHILOSOPHY\*

These two volumes, the second being a partial reprint of the 1939 proceedings of the American Catholic Philosophical Association, represent the treatment of political problems of fundamental importance by contemporary Catholic thinkers in the United States. Implicit throughout is the separation existing between the secular and the religious intellectuals of the present-day. That separation can be seen in the examination of the state, liberty, law, psychology and other problems which arise in the fertile pages of these two volumes. But the most significant difference which separates the religious and the non-religious intellectual seems to stem from the position of reason in the universal order. The Catholic intellectual considers human reason, following long-established traditions of theistic philosophy, as related to the divine reason. To the non-religious intellectual reason works against the factual, positivistic world, and derives in theory its knowledge from the method of science, which has immediately no reasonable connections with God or the reflection of the divine.

That reason with science can gather facts about the world none denies; it is a level of knowledge that is valid, it seems, in its own area. But what the Catholic mind questions is the exclusive use or relevance of such facts to the

\*Proceedings of the American Catholic Philosophical Association. Sixteenth Annual Meeting, Vol. XVI, December 30 and 31, 1940. The Problem of Liberty. Charles A. Hart, editor. Washington, D. C.

Philosophy of the State. Reprinted from the Fifteenth Annual Proceedings of the American Catholic Philosophical Association, Washington, D. C., December 28 and 29, 1939. Charles A. Hart, editor. Washington, D. C.

REVIEWS

ends of man. For in reason as related to the divine, the ends of man as one of God's creatures are discovered. Thus the Catholic philosophers whose mental labors fill these pages start with the assumption that the ends of man are given, but the means that may be adopted to reach those ends are subject to variation, experiment and failure. "It must be kept in mind," declares Yves R. Simon, "that the end as such is not the object of any choice. Choice, *electio*, is concerned with means; if it occurs that things which are really more than mere means fall under our choice, it is because those things although enjoying in some respect the value of ends, have something of the nature of means (intermediary ends) and are taken by us as means inasmuch as they lead to some ulterior term." (Sixteenth Annual Meeting, p. 96). Thus the nature of the state, liberty, individual and community involve the problems of a moral order that exists beyond the erratic elements in choice, or, as some positivists might say, simply, in experience.

We are all searching today for a basis of a just state and a morally justified liberty. The idealists of past generations tended to identify true liberty with mere political or institutional experience. These Catholic philosophers do not deny the moral import of political action, but the state is not in itself the source of moral value; reason does not discover the good merely by observing the state. The Catholic philosopher must, it would seem, regard the state as a divinely ordained means for attaining the ends given to man. Such a duality over our behavior supports the state and liberty under the state, but implicitly it limits the state. It preserves, therefore, the values of idealism without accepting the authoritarian implications to be found even in so liberal a thinker as Thomas Hill Green.

Philosophers, whether Catholic or otherwise, speak chiefly to philosophers. In such a day as this when we are trying to build a faith in democracy that is superior to the class struggle and the social disillusionment inherent in it, it would seem that Catholic philosophers should be heard attentively by those whose higher value is science rather than metaphysics. For the Catholic philosophers who speak in these pages challenge the reader to accept his values or ends first, and then debate on means. They deny squarely the proposition that means are continuous with ends, and that the means selected determine the consequences of ends.

In the first volume listed above, the early papers consider the problems of liberty in the scholastic writers, such as St. Thomas and Duns Scotus. Following this, for example, person, intelligence and authority are discussed in relation to liberty. A wealth of material is to be found in the round table discussions on contemporary problems in psychology, ethics, and the more recent tendencies in logic (logic and the law, logic and method).

The second volume under review contains a series of significant papers on the individual in relation to the state, civil rights, the philosophy of the democratic state, the philosophy of the totalitarian state, the corporative state, and the relation of church and state. A quotation from Goetz Briefs may suggest

the central problem: "The critical state of democracy in our time derives from two facts: first from its loss of metaphysical sanctions, and secondly from its gradual transformation into a mere technique of government. . . . Let us refrain from reducing it to a mere technique of government. Let us also not forget that all true democracy is, in some respect, by Divine Right, destined to serve in its turn the order of being and values which Providence gave to man and human society." (pp. 46, 50).—FRANCIS G. WILSON.

#### PUBLIC POLICY\*

The volume is loosely divided into two main parts, the first containing papers on budgetary and fiscal problems, the second dealing with defense problems and "miscellaneous."

In the first part, three studies are concerned with problems of budget techniques: "Budgetary Symbolism" by S. Perloff, "The Investment Budget" by Spencer Thompson, and "The Formulation of the Federal Budget" by R. H. Ransom. Mr. Perloff's paper analyzes the history of fiscal policies under the New Deal, and stresses its shortcomings, especially the lack of coordination between federal, state and local policies and between different sectors of federal policies.

Mr. Thompson defines first the concepts of "investment budget" and "annexed budgets," refers briefly to Danish and Swedish experiences, and quotes finally, as a case study, part of a memorandum by Mr. David E. Cushman Coyle on the United States Forest Service. This section is very questionable to an economist. On the basis of rather vague generalities to the effect that forests are, to a sovereign nation, an end in themselves, Mr. Coyle discards interest as "meaningless" in public forest economy. If public policy is intended to be rational, correct principles of allocation of resources over time have to be applied here, too, and they can be applied. If deviations are necessary, they should be clearly stated as such, and as far as possible in quantitative terms. They should not be rationalized with the help of rather vague mythical principles whose more universal application might easily lead to most irrational and undemocratic results.

R. H. Ransom's study of the process by which, since 1921, the federal budget is built up by the Estimates Division of the Bureau of the Budget is the work of a well trained practical administrator. The dual aspect of the budget as a financial report (ex post) and financial plan (ex ante) is clearly brought out. The paper contains also a cautious but thorough criticism of certain defects of the present practice (pp. 111 ff.). It appears that the frequent use of "emergency appropriations" (extra-ordinary budgets) tends some-

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what to stultify the whole work of the Bureau. Apart from real emergency situations like the present one, the government's financial plan should combine flexibility with as much predeterminedness as possible; to this end, a coordination of all the financial aspects of federal policy in the budget and adequate research into the interrelationships between the various government policies seem indispensable. These requirements are particularly important if financial planning, as seems inevitable, is going to be conceived in terms of "cyclical budgets."

The remaining articles in the first section deal with one or the other aspect of governmental economic policy which appear in the contents of the budget. The government is discussed as buyer, as spender and as regulator. Mr. Albert M. Freiberg's paper "How Government buys: an Appraisal," prefaced by an especially interesting foreword by N. Isaacs, is perhaps most closely related to the papers on budgeting techniques. It deals with federal, state and local governments from the point of view of a "public business man" who attempts to describe to private business men the peculiarities of "public procurement" as conditioned by a maze of legal and political factors.

Two further papers discuss the government as spender, especially the effects of deficit spending under the New Deal: "Deficit Finance — The Case Examined" by B. Higgins and R. A. Musgrave and "The Effect of Governmental Expenditures and Tax Withdrawals upon Income Distribution, 1930-1939" by C. Stauffacher. The first mentioned paper is to the present reviewer the most important of the volume. It is the most comprehensive, soundest and balanced treatment of "deficit spending" both on the theoretical and empirical level, that this reviewer knows. The problem is: How far, with which preconditions and with which supplementary consequences, can deficit spending contribute to increasing and maintaining total national income and employment? The authors distinguish clearly between different "diagnoses" of the underlying situation, between different aspects of the "average effect" of public spending, and again between short- and long-run effect of this policy. They discuss not only the positive possibilities, but also the limitations of deficit spending and its practical corollaries within the present general economic and social order. This reviewer is inclined to be even more critical of the "economic maturity" thesis (cf. the last chapters in J. Schumpeter's "Business Cycles"); he would be even more sceptical of maintaining a high level of income and employment once it has been achieved, and he believes that an analysis and evaluation of recovery and prosperity policies should be preceded by a more explicit statement of a multiple scheme of contraction causes. He tends also to question the significance of such a "long run" perspective of debt accumulation as the authors attempt (on pp. 172 f.). The discussion of war problems, finally is, probably because of lack of space, too much confined to foreign trade. But all these points are merely questions of emphasis and do not affect the excellence of the whole paper. It is "applied economic theory" in the best sense of the term.

Mr. Stauffacher's contribution is mainly a statistical study, based on a