

PROBLEMS IN AMERICAN DEMOCRACY

Thames Ross Williamson

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Title: Problems in American Democracy

Author: Thames Williamson

Release date: September 1, 2004 [eBook #6460]
Most recently updated: December 29, 2020

Language: English

Other information and formats:
www.gutenberg.org/ebooks/6460

Credits: Etext prepared by Scott Pfenninger,

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PROBLEMS IN AMERICAN DEMOCRACY

BY

THAMES ROSS WILLIAMSON

ASSISTANT PROFESSOR OF ECONOMICS AND SOCIOLOGY IN SMITH COLLEGE; EDITOR OF "READINGS IN AMERICAN DEMOCRACY."

Problems are the growing pains of civilization, offering opportunities for personal achievement and pointing the way to national progress.

TO

My Mother

WHOSE NAME APPEARS IN NO HALL OF FAME, BUT WHOSE LIFE IS AN UNBROKEN
RECORD OF SERVICE TO HER HOME AND TO HER COUNTRY [Blank Page]

PREFACE

There is an increasing demand for a textbook which will bring the student into direct contact with the great current issues of American life, and which will afford practical training to those who soon must grapple with the economic, social, and political problems of our own time. It is with the hope of meeting such a demand that this text has been prepared.

The plan of the book calls for a word of explanation. It is poor pedagogy to expect the student to attack the defects of American life, and at the same time to place in his hands a book which

deals predominantly with the mechanism of government. As well send a boy to a hardware store to buy tools before he is told whether he is to make a mouse-trap or a boat. Furthermore, to spend much more time on the mechanism of government than on the actual problems of democracy is a mistake in emphasis. Government is a means, not an end. It is a tool by means of which we attack and solve our problems.

Therefore the student of this text begins, not with the mechanism of government, but with the historical background of American democracy, its origin, development, and promise for the future. Following this is a brief survey of the economic life of the nation, because that economic life constitutes the fundamental basis of our problems. Considerable space has been devoted to a problem growing directly out of economic conditions, *i.e.* the question of social justice or industrial reform. This is the most pressing question before any modern people, but strangely enough one which heretofore has been neglected by our schools.

Because they tend to arise primarily from a bad economic situation, such social problems as industrial relations, health in industry, and immigration are next considered. From social problems the text passes to the economic and social functions of government, and thence to the question of making government effective. The mechanism of government has been placed last, and for the reason

already given, *i.e.* because a knowledge of the framework of government is valuable only after the citizen knows something of the needs which that mechanism must be made to fill.

It has not been easy to compress into a single volume the most important of our national problems. Obviously, a rigid selection has been necessary. In this selection the aim has been to discuss the more important issues of American life, whether economic, social, or purely political. In dealing with these issues, the attempt has been made to keep in mind the student's previous preparation; on the other hand, the civic demands which the future will make upon him have not been ignored. Some of the problems are difficult, but they are also of vital importance. Very shortly the student will be confronted, in his everyday activities, with such puzzling matters as socialism, the control of immigration, and taxation reform. If the school does not prepare him to grapple with these questions intelligently, he can only partially fulfill the obligations of citizenship.

Throughout the text the aim has been to go directly to the heart of the problem under consideration. The student is not burdened with a mass of data which would prove confusing, and which would be out of date before he is out of school. Instead, an effort has been made to outline, first the essential nature of the problem, and second the fundamental principles which affect its solution.

Care has been taken to cultivate the problem attitude, and to encourage the spirit of independent investigation and open-minded judgment on the part of the student.

It goes without saying that the success of this book will depend largely upon the use which the teacher makes of it. The text aims to supply the basic facts and the fundamental principles involved in specific problems, but the teacher must interpret many of those facts and principles, and ought, in addition, to furnish illustrative material. The book is not intended to be an encyclopedia, but rather a suggestive guide.

The text covers the fundamentals of three distinct fields: economics, sociology, and government. Sufficient reference and topic work is offered to enable teachers to expand the text along particular lines. Thus Part II might serve as a nucleus around which to build up a special course in economics, while Part III would serve as a basis for a similar course in applied sociology, if for some reason it were not feasible to take up other parts of the book.

Though the text is the result of the co÷perative efforts of a considerable number of specialists, its treatment of the problems of American life is neither dogmatic nor arbitrary. The effort has been to treat all of our problems sanely and hopefully, but at the same time to make it clear that many of these questions are still unsettled and the best method of

disposing of them is yet hotly debated. This fact has strongly influenced the manner in which the problems have been treated.

TOPICS AND READINGS

Following each chapter are suggestions for work to supplement the text. These suggestions are of six kinds, and are intended to meet a variety of needs.

A number of easy questions on the text is first supplied.

Following these is a number of required readings to supplement each chapter of the text. The student may be asked to read a single chapter from Williamson's *Readings in American Democracy*, collected and arranged so as to furnish in compact form and in a single volume supplementary material which otherwise the teacher would have to find in a number of separate books. In case the use of the *Readings* is not feasible, some or all of the alternative required readings may be available.

The required readings are followed by a number of questions thereon. Questions on the material contained in Williamson's *Readings in American Democracy* will be found at the end of each chapter in that volume; questions on the required readings cited as alternative to this volume will be found at the end of each chapter in the text.

Topic work is provided in two groups. Topics in the first group form a link between the text and the everyday experience of the student on the one hand, and between the activities of the student's local community and national problems on the other. The student is called upon, for example, to investigate the attitude of the local press toward controversial questions, or to examine the administration of local charitable relief. Topic work of this sort not only quickens the interest of the student, but it encourages original investigation and independent thought. It lets the student know what is going on in his community, and it informs individuals and institutions beyond the school that this agency is beginning to connect with the problems of the municipality, state, and nation. This sort of topic work also allows the student to test the accuracy of the text, and to interpret local conditions in the light of broad, national tendencies.

The second group of topics contains material for report work. In the case of practically all of these topics, the student is referred specifically to books and other publications.

Beginning with Chapter XVIII of the text, the topics are followed by a series of questions for classroom discussion. Some of these may be turned into classroom debates. Others allow the student to challenge statements in the text. A few of these questions have never been satisfactorily answered by anyone, yet the student must face them in the world

outside the school, and it cannot be time wasted to understand their content now.

ACKNOWLEDGMENTS

In the preparation of this text the author has received valuable assistance from a number of sources. Though such assistance in no way diminishes his responsibility for the shortcomings of the book, the author desires here to acknowledge the aid extended him.

The entire manuscript has been carefully worked over and criticized by Clarence D. Kingsley, Chairman of the Commission on the Reorganization of Secondary Education. Payson Smith, Commissioner of Education for the State of Massachusetts offered valuable suggestions in connection with certain parts of the manuscript. The thanks of the author are also due to L. L. Jackson Assistant Commissioner of Education for the State of New Jersey.

Invaluable aid has been received from numerous members of the faculty of Harvard University. Parts of the text were read and criticized by A. Lawrence Lowell, President; Roscoe Pound, Dean of the Law School; and Paul H. Hanus, Dean of the Graduate School of Education. Professors Edward Channing and F. J. Turner, and Dr. Marcus L. Hanson offered valuable suggestions in connection with the

historical chapters.

In the Department of Economics, helpful criticisms were contributed by
Professors F. W. Taussig, T. N. Carver, O. M. W. Sprague, C. J.
Bullock, W. Z. Ripley, and E. E. Lincoln; and by Dr. E. A. Monroe and
Dr. Mixter.

Various chapters dealing with social problems were read and criticized by Professors Richard Cabot, James Ford, R. F. Foerster, and Dr. Niles Carpenter of the Department of Socials Ethics, as well as by Dr. John M. Brewer of the Department of Education. Substantial aid was received from Professors W. B. Munro, A. B. Hart, and A. N. Holcombe; and from Dr. A. C. Hanford, in the preparation of the chapters on political problems.

Professor Edwin R. A. Seligman of the Department of Economics, and
Professor Lindsay Rogers of the Department of Government, in Columbia
University, contributed helpful suggestions.

Professor Irving Fisher of Yale College read and criticized some of the material on economic subjects. Professor John L. Silberling at Dartmouth College went over the chapters dealing with the economic problems and pointed out numerous opportunities for their improvement.

Professor Frederick A. Cleveland of Boston University read the chapters on political problems. Professor Abbott P. Usher of the Department of Economic History helped with several of the chapters, while Professor Ernest R. Groves of the same institution kindly criticized the chapter on Rural Life.

Henry Lefavour, President of Simmons College, and Sara H. Stites, Dean of the same institution, read various of the chapters on economic and social problems.

Stuart Queen, Director of the Boston School for Social Workers, read the chapters on social problems, and strengthened especially the chapter on Dependency.

At Smith College, the author is indebted to several of his colleagues, especially, perhaps, to Professors J. S. Basset and Sidney B. Fay of the Department of History, and to Professors Esther Lowenthal, Julius Drachsler, Harriette M. Dilla, and to Miss McMasters, of the Department of Economics and Sociology.

At Amherst College the author is under great obligations to Professor J. W. Crook of the Department of Economics, and to Dr. John M. Gaus of the Department of Government.

At the Massachusetts Agricultural College the author is indebted to Kenyon L. Butterfield,

President, and to Professor Newell L. Sims, for help on the chapters dealing with social problems.

A number of teachers in the West kindly helped with various portions of the book. At the University of Wisconsin the author is under obligations to Professors John R. Commons and Donald D. Lescohier of the Department of Economics.

A. S. Roberts of the University of Illinois read various of the historical chapters.

At the University of Iowa, the author is especially grateful for the help of Professor F. E. Horack of the Department of Government.

Professor Charles Ellwood of the University of Missouri read and criticized the Chapter on the Family.

Especially valuable were the suggestions which Professor James E. Le
Rossignol of the University of Nebraska offered with respect to the
Chapters on Socialism.

At Leland Stanford University the author acknowledges his obligations to Professor Eliot Jones of the Department of Economics.

In the United States Department of State, the author is indebted to
Arthur N. Young for a critical reading of the Chapter

on Single Tax.

In the United States Department of Labor, the author is under obligations to John B. Andrews for many suggestions on the Chapter on Industrial Relations.

Gifford Pinchot, President of the National Conservation Association, kindly read and criticized the Chapter on Conservation.

Edward R. Johnstone, Superintendent of the Training School at Vineland, N. J., kindly read and criticized several of the chapters on social problems.

Edward T. Devine of New York City offered valuable suggestions with regard to the Chapter on Dependency.

Owen R. Lovejoy, Secretary of the National Child Labor Committee, strengthened the Chapter on Health in Industry.

The Chapter on Crime and Correction was notably improved by the suggestions of Reginald Heber Smith, member of the Massachusetts Bar, and author of the admirable *Justice and the Poor*.

J. P. Warbasse, President of the Co÷perative League of America, went over the Chapter on Profit Sharing and Co÷peration painstakingly.

The Chapter on the Negro was criticized helpfully

by Dr. W. E. B.
DuBois, Editor of the *Crisis.*

W. M. Steuart, Director of the United States Census, kindly supplied advance figures on the 1920 Census.

The author is also indebted to Houghton Mifflin Company, Ginn and Company, and the Macmillan Company, either for advance information on certain of their new books, or for permission slightly to adapt some of the material appearing in books copyrighted by them.

Lastly, the author is grateful to his wife for valuable assistance in correcting the proof.

THAMES ROSS WILLIAMSON.

Cambridge, Mass.

February 7, 1922.

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PROBLEMS IN AMERICAN DEMOCRACY

PART I—FOUNDATIONS IN AMERICAN DEMOCRACY

CHAPTER I

THE BACKGROUND OF AMERICAN DEMOCRACY

1. THE MEANING OF NATIONAL GREATNESS.—We apply the term greatness to nations that have made substantial contributions to civilization. By civilization is meant a well-rounded and highly developed culture, or, to say the same thing in different words, an advanced state of material and social well-being.

Civilization is so vast and so many-sided that it may receive contributions in very diverse forms. The invention of the hieroglyphic system of writing is among the leading achievements of ancient Egypt, but the art and literature of Greece have been no less conspicuous in the onward sweep of human progress. The promotion of the science of navigation by the Phoenicians, and the development of law and architecture by Rome, illustrate a few of the forms in which peoples may confer marked benefits upon the world. The advancement of music and painting by Italy, France, and other European nations, and the application and expansion of the idea of parliamentary government by England, are further examples of ways in which nations may earn for themselves the title of greatness.

2. THE CONDITIONS OF NATIONAL GREATNESS.—In order that a nation may become great, *i.e.* make some distinct contribution to civilization, two conditions must be fulfilled.

The first condition of national greatness is that the land under that nation's control must be encouraging to man's honest, helpful efforts. [Footnote: As used in this chapter the term "land" is held to include not only such natural resources as soil, minerals, forests, and bodies of water, but climate as well.] The vigorous Scandinavians have made great advances in inhospitable Iceland and Greenland, the French have reclaimed an important section of Algeria, and the British have worked wonders with some of the

barren parts of Australia; nevertheless, it is with great difficulty that prosperous communities are developed in lands relatively barren of natural resources, or unusually severe in climate.

A high and stable civilization has rarely arisen in the tropics, because there the overabundance of Nature renders sustained work unnecessary, while the hot, enervating climate tends to destroy initiative and ambition. It is no accident that the greatest nations of modern times are located chiefly within the stimulating temperate zones, where Nature is richly endowed, but where, too, her treasures are rarely bestowed upon those who do not struggle consistently for them.

The second condition of national greatness is an intelligent and industrious population, willing to abide by the law, and devoted to the building of homes. The combination of an unpromising land and an inferior population effectually prevents the rise of a high civilization. And just as the choicest of men can do relatively little in an unfriendly land, so the most promising of countries may be despoiled or temporarily ruined by a slothful or lawless population.

From the standpoint of civilization, the best results are obtained when a virile and law-abiding people exercise control over a land rich in natural resources and possessed of a stimulating climate. France and Great Britain in Europe, and Canada and the United

States in North America, are examples of great nations which have been built up in such lands and by such peoples.

3. THE ATTRACTIVENESS OF NORTH AMERICA.—It will be interesting to examine North America in the light of the two conditions of national greatness discussed in the preceding section. We may note, first of all, that by far the greater part of the territory now comprising the United States and Canada is distinctly favorable to settlement. This territory lies almost entirely within the temperate zone: it has unattractive spots, but in general it is neither so barren of resources as to discourage the home-maker, nor so tropical in its abundance as to reward him without his putting forth considerable effort. Particularly within the bounds of the United States is a well- balanced national life encouraged by the diversity of soils and the wide variety of climate. [Footnote: For a fuller discussion of the natural resources of the United States, see Chapter VI.] Certainly the continent of North America fulfills the first condition of national greatness.

4. THE COMING OF THE EUROPEAN.—The discovery of America in 1492 opened a new era in world history. The nations of western Europe were disappointed when their earlier explorers found the way to Cathay blocked by a new land-mass, but the Spanish discovery of treasure in Mexico and South America soon turned disappointment into keen interest. No magic palaces or spice islands were

found, but there were revealed two virgin continents inviting colonial expansion on a scale previously unknown. Of the European powers which at various times laid claim to parts of the New World, Spain, France, Holland, and England occupy significant positions in the background of American democracy. We may briefly notice the influence of each of these four powers upon America.

5. SPAIN.—Though the Spanish were the first in the field, the motives of the colonists limited their ultimate success in the new land. The earlier Spaniards were missionaries and treasure-seekers, rather than home builders and artisans. The early discovery of great quantities of gold and silver had the effect of encouraging the continued search for treasure. In this treasure-quest, often fruitless, the Spanish practically confined themselves to Mexico and the region to the south. In these areas they did valuable work in Christianizing and educating the natives, but little industrial progress was made. Except for the missionary work of the Spanish, their earlier colonization was largely transient and engaged in for the purpose of exploitation.

6. FRANCE.—France disputed the claim of Spain to North America soon after the opening of the sixteenth century. The French attempted to settle in Florida and in South Carolina, but the opposition of the near-by Spanish forced the newcomers to leave. In 1524 Verrazano explored the North Atlantic coast for the French, and ten years later Cartier sailed up

the St. Lawrence and founded the claim of France to that section of the New World.

Following the example of Spain, France dispatched missionaries to the New World to convert the Indians. Soldiers and trappers were sent out to develop the valuable fur trade by the establishment of widely separated forts and trading posts. But the French settlers had no popular lawmaking bodies, being completely under the power of the king. Only along the St. Lawrence, where agricultural colonies were planted, did the French really attach themselves to the soil. Elsewhere there were few French women and therefore few normal French homes, and when in 1763 all of the French possessions east of the Mississippi were ceded to England, it was largely true that the French colonies had not yet taken root in the country. Infinite courage, devotion, and self-sacrifice were ultimately wasted, largely because of the lack of homes, the absence of self-government, and the failure to develop an industrial basis of colonization.

7. HOLLAND.—The Dutch became aware of the commercial possibilities of the New World when in 1609 Henry Hudson discovered the river which bears his name. Trading posts were soon established in the neighborhood, and in 1621 the West India Company was given full authority to plant colonies in New Netherland. A brisk trade in furs developed, but though the Company grew rich, the colonists were not satisfied. The agriculturists along the Hudson had

the benefit of a fertile soil and a genial climate, but they operated their farms under a feudal land system which allowed an overlord to take most of their surplus produce. Moreover, the Dutch governors were autocratic, and the settlers had little voice in the government of the colony. Loyalty to Holland waned as the Dutch saw their English neighbors thriving under less restrictive laws and a more generous land system, so that when in 1664 the colony passed into the possession of the English, the majority of the settlers welcomed the change.

8. ENGLAND.—The Spanish had been in the New World a century before the English made any appreciable impression upon the continent of North America. In 1583 Sir Humphrey Gilbert had made an unsuccessful attempt to found a colony on the coast of Newfoundland, and a few years later Sir Walter Raleigh's venture at Roanoke Island proved equally disastrous. Colonization was retarded until 1588, in which year England's defeat of the Spanish Armada destroyed the sea power of her most formidable rival. The English may be said to have made serious and consistent attempts at colonization only after this event.

Like France, England desired to set herself up as a successful colonizing rival of Spain. Impelled by this motive, the earlier English adventurers sought treasure rather than homes. But the high hopes of the early English joint stock companies were not justified. Those who had looked to America for

treasure were disappointed: no gold was forthcoming, and such groups as the Jamestown settlers of 1607 very nearly perished before they learned that America's treasure- house could be unlocked only by hard work. In spite of heavy investments and repeated attempts at colonization, these first ventures were largely failures.

9. THE COMING OF THE HOME-MAKER.—It may truly be said that the seeds of national greatness were not planted in America until home-making succeeded exploitation by governments and joint stock companies. Home- making received little or no encouragement in the early Spanish, French, and Dutch colonies. Almost from the first, England allowed her colonies a large measure of self-government, but it is significant that these colonies made little progress so long as they were dominated by joint stock companies intent upon exploitation. It was only when individuals, and groups of individuals, settled independently of the companies that the colonies began to thrive. The first really tenacious settlers on the Atlantic seaboard were groups of families who were willing to brave the dangers of an unknown land for the sake of religious freedom, economic independence, and a large share of self-government. It was with the coming of these people that our second condition of national greatness was fulfilled.

10. GROWTH OF THE ENGLISH COLONIES.—The English annexation of New Netherland in 1664, and

the concessions of the French in 1763, left the English in undisputed possession of the greater part of the Atlantic seaboard. The English colonies in this area grew with astonishing rapidity. Cheap land, religious freedom, and the privilege of self-government attracted settlers from all parts of northern Europe. At the close of the seventeenth century there were 260,000 English subjects in North America; in 1750 there were approximately 1,000,000; and in 1775 there were probably 3,000,000.

Although in most sections the dominant element was of English extraction, other nationalities contributed to the population. Along the Delaware, Swedes were interspersed with the English, while in Pennsylvania there were large groups of Germans. Numerous Dutch settlers had continued to live along the Hudson after New Netherland had passed into English hands. Some of the most frugal and industrious of the settlers of Georgia and South Carolina were French Huguenots, while along the seaboard and inland the Scotch-Irish were found scatteringly in agriculture and trade. Such was the composition of the people who were destined to begin an unexampled experiment in democracy, an experiment upon the successful termination of which rests our chief claim to national greatness.

QUESTIONS ON THE TEXT

1. What is meant by civilization?

2. What two conditions must be fulfilled in order that a nation may become great?

3. In what way does America fulfill the first condition?

4. Discuss the character of the early Spanish colonization.

5. What were the chief reasons for the failure of the French in America?

6. What were the chief defects of the Dutch colonial system in America?

7. Compare the earlier English colonization with that of Spain, France, and Holland.

8. When were the seeds of national greatness planted in America?

9. Who were the first really tenacious settlers on the Atlantic seaboard?

10. Outline the growth of the English colonies.

11. Upon what does our chief claim to national greatness depend?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,*

chapter i.

Or all of the following:

2. Bogart, *Economic History of the United States,* chapter ii.

3. Coman, *Industrial History of the United States,* chapter i.

4. Huntington and Gushing, *Principles of Human Geography,* chapters i and xii.

5. Smith, *Commerce and Industry,* introduction.

QUESTIONS ON THE REQUIRED READINGS

1. Discuss the statement, "Civilization is a product of adversity." (Smith, page 2.)

2. What is the effect of tropic abundance upon civilization? (Smith, page 2.)

3. What is the relation of efficiency to climate? (Huntington and Cushing, page 6.)

4. In what way is civilization related to density of population? (Huntington and Cushing, page 10.)

5. What is an ideal climate, and where is such a climate found? (Huntington and Cushing, page 254.)

6. How does national progress depend upon beasts of burden? (Smith, page 8.)

7. Name some of the political motives of colonization in America. (Bogart, pages 29-30.)

8. Name the chief religious motives of colonization. (Bogart, page 30.)

9. What were the chief economic motives of colonization? (Bogart, pages 31-34.)

10. Why did the English finally prevail in the struggle for the Atlantic seaboard? (Coman, pages 19-21.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Check up your own experience carefully in order to determine during what season of the year you work most effectively. What light does your answer throw upon Topic 5?

2. To what extent is the climate of your section favorable to an energetic life? To what extent, if to any, is it discouraging to initiative and ambition?

3. Trace the influence of the geography of your section upon the economic life of your community.

4. The nature of civilization.

II

5. Relation of civilization to climate. (Huntington, *Civilization and Climate,* pages 148-182.)

6. The relation of cheap food to the growth of population. (Carver, *Sociology and Social Progress,* pages 235-243.)

7. The effect of desert life upon health and spirits. (Carver, *Sociology and Social Progress,* pages 273-275.)

8. Effect of the climate of North America upon persons of European descent. (Bullock, *Selected Readings in Economics,* pages 1-22.)

9. The influence of the Appalachian barrier upon American colonial history. (Semple, *American History and Its Geographic Conditions* chapter iii.)

10. The Spanish in America. (Consult any standard history text.)

11. The French in America. (Consult any standard history text.)

12. The Dutch in America. (Consult any standard history text.)

13. The English in America. (Consult any standard history text.)

14. The qualities of an ideal people. (Carver, *Elementary Economics,* chapter iv.)

CHAPTER II

THE ORIGIN OF AMERICAN DEMOCRACY

11. THE NATURE OF GOVERNMENT.—A government may be defined as an agency through which the purposes of a state or nation are formulated and carried out. This agency develops where men live in groups. One of the chief objects of government is to adjust individual interests, or, to say the same thing in slightly different words, to control members of the group in their social relations.

Where groups are small and culture is at a low level, government may consist in little more than the arbitrary rules of a self-appointed chieftain. From this stage there are numerous gradations up to the great complex governments of the leading nations of to-day. With the origin and general development of government we are not here concerned, and we may accordingly confine our attention to those types of modern government which throw light upon the development of American democracy.

12. THE ABSOULUTE MONARCHY.—An absolute monarchy may be defined as a government in which supreme power or sovereignty is lodged in one individual. This monarch holds his position for life,

generally with hereditary succession. Often the absolute monarchy arose out of the ancient chieftainship, when, as the result of territorial expansion and cultural development, the chief of a group of tribes became the king of a settled and civilized people. The absolute monarchy existed in most of the countries of Europe previous to the end of the eighteenth century. In its most extreme form the absolute monarchy rested upon the claim of the monarch that he ruled by "divine right," *i.e.,* that God had authorized him to rule. France in the era of Louis XIV is one of the best known examples of a modern nation ruled by a "divine right" monarch.

13. THE LIMITED MONARCHY.—When a monarch has been restricted in his powers a limited or constitutional monarchy is said to exist. Almost always the establishment of a limited monarchy has been preceded by a series of struggles between king and people. In many cases these struggles have been precipitated or intensified by the monarch's abuse of power. A striking example is offered by English history. As the result of his arbitrary rule, King John was in 1215 obliged to sign the Magna Charta, by which act he gave up many important powers. The limits thus set upon the kingly power were affirmed and extended by the Petition of Right of 1628 and by the Bill of Rights of 1689. A similar limiting process has gone on in other countries, either by the framing of constitutions, or by the enlargement of the powers of legislatures, or by both methods. To-day the

absolute monarchy is practically unknown among civilized nations.

14. THE REPUBLIC.—The republic is a form of government in which ultimate power or sovereignty resides with the people as a whole rather than with a single individual. Instead of a monarch there is generally an elective president, with varying powers. The republic is a very old form of government, but in the republics of Greece, Rome and Venice the powers of government were exercised by a class composed of a small minority of the people. In modern republics a larger proportion of the adult population participates in government.

A republic may arise in any one of several ways, but most of the republics of modern times have grown out of monarchical conditions, either directly or indirectly. Our republic arose as a reaction against English monarchy, while the French republic came into being as the result of the destruction of a monarchical government. Most of the republics of Latin America date from the throwing off of the Spanish yoke in the first half of the nineteenth century. More recently, the World War has given rise to a number of European republics, composed of peoples formerly under the control of monarchical governments.

15. DEMOCRACY AS A POLITICAL IDEA.—The term democracy is derived from two Greek words which taken together mean "control by the people."

Strictly speaking, democracy is a *form* of government only where a small group governs itself directly, *i.e.,* without making use of the representative device. This "pure" democracy, such as existed in the early New England town, becomes a representative democracy, or a republic, when a greater population and an increasing political complexity require the people to act through their representatives, rather than as a body. In the sense that democracy is popular control, the term democracy may conceivably be applied to any form of government. The present government of Great Britain, for example, is technically a limited monarchy, yet the gradual extension of popular control has made it one of the most democratic governments in the world. Nevertheless, the modern republic is so generally associated with the democratic movement that many authorities speak of a democracy as identical with a republic. For the time being we may use the term democracy to describe a form of government in which considerable control is exercised by the people. More briefly, democracy may be thought of as self-government.

16. WHY DEMOCRACY DEVELOPED IN AMERICA. —There are four reasons why democracy developed early in America.

The first is to be found in the conditions of pioneer life in the colonies. The wilderness forced self-government upon the settlers. Clearing the forests, subduing the Indians, and conquering animal foes

was stern work, which weeded out the indolent and inefficient, and rewarded the capable and self-reliant. Pioneer conditions did not encourage a cringing or submissive spirit, but fostered independence and individualism. The spirit of equality tended to become a dominant feature of American life, for despite the existence of social classes, the great majority of the population had to rely for their living upon their own efforts. Under such conditions self-reliance and self- government were natural developments.

The selected character of the colonists is a second reason for the rise of democracy in America. Restless spirits who had chafed under the restraints of monarchy in Europe, thronged to the new land. Once here they often found the older American communities intolerant, and so struck out into the wilderness to found new and, to them, more democratic colonies. The founding of Rhode Island by Roger Williams, and the settlement of the Connecticut valley by Thomas Hooker, illustrate this tendency.

It should be remembered, thirdly, that the English colonists brought with them very definite ideas as to the rights of man. The concessions granted by the Magna Charta were made an essential part of their political philosophy. The belief that all men were born free and equal, and that government derives its just powers from the consent of the governed, became prominent in early American politics. Where

the democratic tendencies of the settlers were reinforced by such traditions, an oppressive government could not last. In Carolina in 1670, for example, an attempt to set up an undemocratic government failed, and when half a century later a similar attempt was made in Georgia, the settlers objected so ardently that the founders of the colony were obliged to grant the privilege of self-government.

A fourth explanation of the rise of democracy in America is that, left to themselves, the settlers came to feel that self-government was morally right. Largely removed from the traditions of monarchy, they soon realized the elemental significance of government. Seeing government as a device to help people get along together, they concluded that that government is best which most helps the masses of the people. The existence of a British monarch was a small factor in the everyday life of the early settlers, and from this it was a short step to asserting that his control over them was unjust. Living under primitive economic conditions, the minds of the people turned naturally to freely formed agreements as a basis of group action. Under such conditions democracy appeared to the colonists as moral, just, and natural.

17. APPLYING THE DEMOCRATIC IDEA.—Partly because of the isolation of early American life, and partly because England was busy with European politics, the settlers were left relatively free to work out their ideas of democracy. The Pilgrims had not

yet set foot upon the new land when they drew up the Mayflower Compact, by the terms of which they agreed to establish a pure democracy in their new home. In 1639 the inhabitants of three Connecticut towns came together in a mass meeting, and drew up the Connecticut Fundamental Orders, which many authorities regard as the first written constitution in this country. Aside from the fact that the Orders created a small republic in the heart of the wilderness, they are of importance because they issued directly from the people, without suggestion from, or direction by, any outside agency. Elsewhere in New England, too, local self- government was a spontaneous growth. Usually the settlers grouped themselves in small, compact communities known as towns, the freemen coming together in the town meeting for the purpose of passing laws and electing officials. The town meeting constituted a pure democracy, in which the freemen governed themselves consciously and directly.

18. SPREAD OF THE REPRESENTATIVE IDEA.—The principle of representative government appeared very early in English history, expressing itself most clearly in the houses of Parliament. The principle was early transplanted to America, for in 1619 we find the London Company establishing in Virginia a House of Burgesses, the first representative assembly in the New World. The representative democracy spread rapidly through the colonies, in many cases replacing the pure democracy as a form of local

government. In Massachusetts Bay, for example, the population of the colony became so dispersed, and the complexity of its government so great, that it was necessary for most freemen to remain at home, and to content themselves with choosing a small number of individuals to represent their interests. These representatives gathered in the General Court and transacted the business of the colony.

19. THE SEPARATION OF POWERS.—As government develops in scope and complexity, there is a tendency for the agents of government to specialize in various types of work. A more or less recognizable separation of the governmental machinery into legislative, executive, and judicial branches had long been a feature of English government. Early in the seventeenth century this principle was transferred to the government of the English colonies in America. There was established in each colony a legislative branch for the enactment of laws, an executive branch to see that the laws were enforced, and a judicial branch for the interpretation of the laws. This separation of functions was more definite in America than in England because the jealousy existing between colonial legislature and colonial executive tended sharply to separate their powers. In America, too, the judiciary was more clearly an independent branch of government than in England.

20. THE COLONIES AS SELF-GOVERNING STATES.—It has often been said that for a

considerable period prior to the American Revolution, the thirteen colonies were in reality self-governing states. For most practical purposes they were independent, indeed, some American patriots insisted that they were only nominally subject to England. In each colony there was an assembly chosen by a restricted number of voters. This popular assembly championed the cause of the colonists against the governor, who in most of the colonies was primarily an agent of the Crown. After the middle of the eighteenth century, the struggles between assembly and governor increased in number and in intensity, and victory rested more and more often with the assembly. [Footnote: For the similarities existing among the various colonial governments see Chapter XXXIX.]

21. EFFECT OF THE REVOLUTION UPON AMERICAN GOVERNMENTS.—The Revolution did not greatly affect the character of American governments. Democracy, at first weak and ill diffused, had been spreading steadily during the preceding century, and when at last the break with England came, it found the states trained in self-government and able to conduct their own affairs. In many cases the Revolution simply erased the name of the king from documents and institutions already American in spirit and character. The states either retained their old charters as constitutions, as in the case of Connecticut and Rhode Island, or framed new constitutions based upon the experience of colonial

government. The popular legislative assembly was everywhere retained. The common law of England continued in force, and the system of courts was retained in practically its pre-Revolution form. The basis of state government had been laid long before the Revolution, the new states simply accepting the basic political principles with which they, as colonies, had long been familiar. The defeat of English claims was only an incident in the irresistible progress of American democracy.

QUESTIONS ON THE TEXT

1. What is one of the chief objects of government?

2. What is the essential feature of the absolute monarchy?

3. Give an example of a country once ruled by a "divine right" monarch.

4. Explain the difference between an absolute and a limited monarchy.

5. What is the distinction between a monarchy and a republic?

6. Name some modern republics and explain their origin.

7. Explain clearly the nature of political democracy, and show its relation to the monarchy

and to the republic.

8. What are the four reasons for the rise of democracy in early America?

9. Trace the early application of the democratic idea in America.

10. Where in America was the representative principle first applied?

11. Explain the principle of the "separation of powers."

12. To what extent were the colonies self-governing states?

13. Explain the effect of the Revolution upon American governments.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,* chapter ii.

Or all of the following:

2. Bryce, *Modern Democracies,* vol. i, chapters i and xii.

3. Beard, *American Government and Politics,* chapter i.

4. McLaughlin, *Steps in the Development of American*

Democracy, chapter i.

5. Turner, *The Frontier in American History,* chapter i.

QUESTIONS ON THE REQUIRED READINGS

1. What was the extent of democracy in the world a century ago? (Bryce, page 3.)

2. Why is the study of democracy increasingly important? (Bryce, pages 4-5.)

3. What is the fundamental significance of local self-government? (Bryce, pages 131-133.)

4. In what way has the advance of the frontier meant a steady movement away from the influence of Europe? (Turner, page 4.)

5. How did the frontier promote individualism? (Turner, page 30.)

6. What intellectual traits are fostered by pioneer life? (Turner, pages 37-38.)

7. Explain the significance of the Virginia House of Burgesses. (McLaughlin, pages 11-13.)

8. Discuss the character of the colonial governor. (Beard, pages 3-7.)

9. What were the chief powers of the colonial

legislature? (Beard, page 8.)

10. Describe the colonial judiciary. (Beard, pages 12-14.)

11. What was the extent of the suffrage in colonial times? (Beard, pages 8-10.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Illustrate the nature of government by tracing the origin and development of a club or society of which you are a member, or with which you are familiar.

2. Early pioneer life in your community, with particular reference to social and economic conditions. (Consult local histories, or, where possible, interview an old settler in your section.)

3. Origin and development of local government in your section. (Proceed as with Topic 2.)

4. The origin of the first constitution of your State.

5. A classification of the present-day governments of the world on the basis of their democratic character.

II

6. Genesis of the limited monarchy. (White, *The Making of the English Constitution,* pages 253-285.)

7. Origin and development of Parliament. (White, *The Making of the English Constitution,* pages 298-322.)

8. Origin and development of the English judiciary. (White, *The Making of the English Constitution,* pages 122-252.)

9. Historical evolution of democracy. (Bryce, *Modern Democracies,* vol. 1, chapter iv.)

10. Theoretical basis of democracy. (Bryce, *Modern Democracies,* vol. 1, chapter v.)

11. Difficulty of defining the term "democracy." (Bryce, *Modern Democracies,* vol. 1, chapter iii.)

12. American political theory before the Revolution. (Beard, *Readings in American Government and Politics,* pages 14-16.)

13. Contributions of the West to American Democracy. (Turner, *The Frontier in American History,* chapter ix.)

14. Development of the General Court in Massachusetts. (Osgood, *The American Colonies in the Seventeenth Century,* vol. i, pages 141-166.)

15. A Boston town meeting. (Beard, *Readings in American Government and Politics,* pages 11-13.)

16. Local government in Virginia. (Bruce, *Economic History of Virginia in the Seventeenth Century,* vol. ii, chapter xx. Beard, *Readings in American Government and Politics,* pages 13-14.)

CHAPTER III

THE DEVELOPMENT OF AMERICAN DEMOCRACY

22. LOCAL VERSUS NATIONAL SPIRIT.—The outbreak of the American Revolution proved that the colonies were so deeply attached to democracy that they were willing to fight for it. But the spirit which animated the Revolution was local, rather than national. The colonial protests which in 1776 reached their climax in the Declaration of Independence, had to do almost entirely with the rights of the colonies as individual states, and with the determination of those states to defend the principle of self-government. The war created thirteen practically independent states, among which the spirit of state sovereignty was much stronger than was the inclination to form an indissoluble union. The Revolution emphasized local and state interests rather than intercolonial co÷peration, and

however much the colonists appreciated local democracy in 1776, they had yet to learn to think in terms of a national patriotism. A brief review of the attempts at union before 1787 will serve to illustrate this important point.

23. EARLY ATTEMPTS AT UNION.—The first notable attempt at union was made in 1643, when Massachusetts Bay, Plymouth, Connecticut, and New Haven formed a league, chiefly for the purpose of mutual defense. This league was in force for forty years, and rendered effective service in the Indian wars.

In 1754 delegates from seven of the colonies met at Albany and adopted a plan of union proposed by Benjamin Franklin. The plan provided for a colonial army, the control of public lands, legislation affecting the general welfare, and the levying of taxes for intercolonial projects. In America Franklin's plan was regarded with considerable favor, but it was never given serious consideration by the British Parliament. The project fell through.

Still later (1765) delegates from nine of the colonies met in the Stamp Act Congress, for the purpose of drawing up a protest against the taxation policy of the mother country.

The two continental congresses may also be regarded as steps toward union. The first of these met in 1774 and concerned itself chiefly with a

declaration of rights and grievances. The second (1775-1781) assumed revolutionary powers, and, with the consent of the people, exercised those powers during the greater part of the war period.

24. THE ARTICLES OF CONFEDERATION.—Nothing so clearly illustrates the sectional feeling of that era as the history of the Articles of Confederation. The Articles were adopted by the Second Continental Congress in 1777, but on account of the tardiness with which some of the states ratified them, they were not put into actual operation until March 1, 1781. By the terms of the Articles the states yielded some of their powers, the central government being given the right to declare war, borrow and coin money, establish post offices, and otherwise act for the general good. On the other hand, the Articles declared that "each state retains its sovereignty, freedom and independence, and every power, jurisdiction, and right which is not by this federation delegated to the United States."

Thus the new government was a confederation or league of states, rather than a federal government such as we have to-day. There was no national executive, and no judiciary. All authority was concentrated in a one-chambered congress, in which each state was represented by not fewer than two and not more than seven members. The delegates were subject to recall by the legislatures of their respective states. Each state had one vote, which was determined by a majority of the state's delegates who

were present when the vote was taken.

25. DEFECTS OF THE CONFEDERATION GOVERNMENT.—The government established by the Articles of Confederation had a number of grave defects. The fundamental difficulty was that the central government had no real authority or power. The Congress of the Confederation could reach individuals only through the action of the state governments, and these it could not coerce. Thus the Congress could declare war, and make requisitions upon the states for troops, but it could not enlist a single soldier. It could make laws, but had no power to enforce them. It could make treaties with foreign governments, but could not oblige the states to respect those agreements. The central government could not levy taxes, but was obliged to accept whatever sums the states chose to contribute. The Confederation government could not even protect itself, or the states, against violence. It lacked force, and without the ability to exert force, a government is a government in name only.

Not only did the central government fail to enlist the respect and support of the states, but it could not induce the states to respect or support one another. Congress had no power to regulate either foreign or domestic commerce, each state being free to control the commercial activities of its citizens as it saw fit In many cases the states engaged in trade wars, that is, they levied heavy duties upon the commerce of one another, or even refused to allow their citizens

to buy goods from, or sell goods to, persons in neighboring states. Matters calling for unity of action and friendly co÷peration, such as roads and canals, were ignored or neglected because of interstate jealousy. Whereas they should have united against the grave dangers of the period immediately following the war, the states often wasted time and energy in controversy and strife.

26. FAILURE OF THE CONFEDERATION GOVERNMENT.—The Confederation government, established in 1781, functioned weakly during the remaining two years of the war, and then declined rapidly in power and influence. The defects of the Articles could not be remedied, for amendment was by unanimous consent only, and on every occasion that an amendment was proposed, one or more states refused their assent.

According to John Fiske, the five years following the peace of 1783 constituted the most critical period in the history of the American people. Business was demoralized. Most of the states were issuing worthless paper money, and several of them passed laws impairing the obligation of contracts. In a movement known as Shay's Rebellion (1786-1787), a portion of the debtor class of Massachusetts attempted to prevent the collection of debts. Paper money depreciated so greatly that in many places it ceased to pass as currency. The central government could not raise money to meet its ordinary expenses, and in 1783 Congress was forced to flee Philadelphia

to escape the wrath of some eighty Pennsylvania soldiers whom it could not pay.

Demoralization and civil strife at home were matched by ridicule and suspicion abroad. Congress could not pay the interest on the national debt. As early as 1783 our foreign credit was gone. Many European statesmen scoffed at the American government. France denied the existence of a general government in America. In England our diplomatic representatives suffered numerous humiliations. They were told, for example, that the British would not relinquish the western forts promised us by the Treaty of Paris until our national government was able to force the several American states to observe the treaty.

27. OBSTACLES TO UNION.—There are three important reasons why the states failed to draw together into a firm union before 1787.

In the first place, each state considered itself a sovereign body, and of governments above and beyond itself it was naturally suspicious. Many of the Americans had regarded the British government as a super- government, imposed against the will of the American people, and maintained in spite of their protests. The Dominion of New England, which, prior to the adoption of the Articles of Confederation, had been the nearest approach to union, was recalled with anger and in fear. This plan, forced upon the Americans in 1686 by the king, united eight of the

colonies under the rule of Governor Andros. The union was dissolved by the Bloodless Revolution of 1688, but the arbitrary rule of Andros was long cited by the Americans as proof of the despotic character of any government beyond that of the individual states.

A second explanation of the failure of the states to unite before 1787 is to be found in the social and economic differences existing among the states. Most of the inhabitants of New England were grouped in small, compact communities, and were engaged in shipbuilding and commerce, rather than in agriculture. There was an aristocratic group, but most of the people belonged to the middle class, and were simple and even severe in their tastes. In the middle colonies, on the other hand, most of the people were small farmers of mixed religious and racial character. Social classes existed to a considerable extent. Finally, the South was devoted to large plantations, cultivated by black slaves. Social lines were sharply drawn, and a genuine aristocratic class was already well formed.

A third reason for the weakness of the co÷perative spirit among the states is to be found in the lack of means of transportation and communication. Travel was mostly confined to natural waterways, or to rude paths over which horses proceeded with great difficulty. As late as 1800 it often took a horseman longer to go from Boston to New York than it now takes to go by rail

from New York to San Francisco and back again. There were no railroads in those days, no telephones, no telegraph, and practically no postal service. Life was primarily rural, even on the seacoast. Most interests centered about the local community, or at farthest, about the colony or state. In many sections there was little exchange of products or of ideas. From the resulting isolation there developed a strong feeling of localism or provincialism. Ignorance and suspicion of intercolonial affairs gave rise to misunderstandings, and emphasized differences and disputes which in themselves were unimportant. Thus jealousy and hostility often sprang up where mutual confidence and co÷peration were sorely needed.

28. NEGATIVE FORCES FAVORING UNION.—The failure of the Articles of Confederation is one of the most discouraging chapters in the development of American democracy. And yet it is an indispensable chapter, for it demonstrated, far more convincingly than could any theoretical argument, that there must be one great American nation rather than thirteen or more unrelated republics. Six years of practical experience with the Articles of Confederation taught the absolute necessity of a strong central government. The weaknesses of the Confederation government constituted the most spectacular of the forces favoring union in 1787, and yet these forces were negative in character: the states accepted the Constitution of 1787 not so much because they were

attracted by it, as because they saw little chance of getting along without it.

29. POSITIVE FORCES FAVORING UNION.—It should be noted, on the other hand, that for a long period previous to the adoption of the Constitution of 1787, certain positive forces were impelling the states toward union. In their Old World homes most of the settlers had occupied somewhat the same social position, and had been used to somewhat the same economic conditions. This common background constituted, in their New World homes, a unifying force of great importance. Long before 1787, too, the great majority of the settlers were of English descent, speaking the English language, and, except for the Roman Catholics of Maryland, professing some form of Protestantism.

In spite of the numerous jealousies and rivalries among the various sections of the country, there were at work forces which tended to break down the spirit of localism or provincialism. Though the Revolution established thirteen separate states, the war had encouraged the Americans to feel that they were a single people with a common destiny. The soldiers of various sections had rubbed elbows with one another during the French and Indian wars, and during the Revolution. This had served to encourage a feeling of comradeship between the inhabitants of different communities. The population of the country was doubling every twenty years, and groups previously isolated were coming into contact with

one another. Interstate co÷peration was not only more necessary than ever before, but it was less difficult to bring about. Highways were being improved, and the postal service gradually extended, with the result that a more wholesome social life was made possible.

In an economic sense the American people were increasingly interdependent. Especially on the frontier many communities were still economically self-sufficing, but to an increasing extent the development of commerce and manufacturing was everywhere calling for a closer co÷peration between various sections of the country. The Annapolis Convention of 1786, indeed, was called for the purpose of promoting commercial co÷peration among the states. According to Professor Beard, the formation of the Federal Constitution itself may in large measure be traced to the desire throughout the country for interstate co÷peration in industry and commerce.

30. AMERICAN DEMOCRACY IN 1787.—The constitutional convention of 1787 expanded American democracy from a local idea to a political concept of national proportions. But though this was an important step forward, American democracy had not yet been fully developed. Religious freedom, indeed, had been guaranteed by the Constitution, but the suffrage was still narrowly restricted. The adoption of the Constitution was due primarily to negative forces; the full development of the positive

forces, upon which the ultimate integrity of the union rests, was to be delayed for almost a century. The states technically abandoned state sovereignty when they accepted the Constitution of 1787, but not until the Civil War had been won was permanent union assured. Most important of all, American democracy was in 1787 only a political concept. There was at that time no suspicion that democracy was later to be expanded into a philosophy of life, applicable not only to purely governmental affairs, but to the individual in his economic and social relations as well.

QUESTIONS ON THE TEXT

1. Distinguish between local and national spirit in the Revolutionary period.

2. Describe the first notable attempt at union.

3. What plan of union was proposed by Benjamin Franklin in 1754?

4. Name several other early attempts at union.

5. Outline the character of the Articles of Confederation.

6. What were the chief defects of the Confederation government?

7. Describe the failure of the Confederation

government.

8. Outline clearly the three important reasons for the failure of the states to unite before 1787.

9. Explain the phrase, "Negative forces favoring union."

10. To what extent was the constitutional convention of 1787 the result of positive forces?

11. Explain clearly the statement that in 1787 American democracy had not yet been fully developed.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter iii.

Or all of the following:

2. Becker, *Beginnings of the American People*, chapter v.

3. Fiske, *The Critical Period of American History*, chapter iv.

4. Guitteau, *Government and Politics in the United States*, chapter xix.

5. McLaughlin, *The Confederation and the Constitution*, chapter xiii.

QUESTIONS ON THE REQUIRED READING

1. In what sense was Benjamin Franklin the first American? (Becker, pages 190-200.)

2. Describe the commercial warfare carried on by the several states during the critical period. (Fiske, pages 144-147.)

3. Explain why American credit in Europe failed during the critical period. (Fiske, pages 155-157.)

4. Describe the attempts to patch up the Confederation government. (McLaughlin, chapter xiii.)

5. Explain the statement that "division is sometimes the prelude to more effective union." (Becker, pages 189-191.)

6. What did the Alexandria Conference of 1785 accomplish? (Guitteau, page 215.)

7. What was the Virginia plan? (Guitteau, page 217.)

8. What was the New Jersey plan? (Guitteau, page 217.)

9. What was the "Great Compromise"? (Guitteau, page 218.)

10. What was the Three-Fifths Compromise? (Guitteau, pages 218-219.)

11. Describe the opposition to the ratification of the Constitution (Guitteau, pages 222-224.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Trace the beginnings of railroad transportation in your section, and describe the effect of improved methods of transportation upon the ability of different communities in your section to co÷perate with one another. (Consult local histories.)

2. To what extent does the newspaper help you to understand the character and ideals of individuals beyond your community?

3. Contrast the telephone and the postal service as influencing the development of the co÷perative spirit in the city. In rural districts.

4. To what extent would improved methods of transportation and communication lead to a closer co÷peration between the rural and urban districts in your state?

5. To what extent has the economic interdependence of different members of your community led to a better understanding? To a closer identity of interests?

II

6. Difficulties of travel in colonial times. (Crawford, *Social Life in Old New England*, chapter *x*.)

7. Postal facilities in the colonial period. (Bogart, *Economic History of the United States*, pages 82-83.)

8. Diversity of economic interests among the colonies. (Bogart and Thompson, *Readings in the Economic History of the United States*, pages 29-42.)

9. Union under the Continental Congresses. (Beard, *American Government and Politics*, pages 21-25.)

10. The delegates to the Constitutional Convention of 1787. (McLaughlin, *The Confederation and the Constitution*, pages 187-190.)

11. The work of the Constitutional Convention. (Beard, *American Government and Politics*, pages 44-53. See also any other standard text on American history or government.)

12. Madison's criticism of the Articles of Confederation. (Beard, *Readings in American Government and Politics*, pages 38-43.)

13. Hamilton's plea for a strong national government. (Beard, *Readings in American Government and Politics*, pages 47-49.)

14. The influence of economic interests upon the Constitution of 1787. (Beard, *An Economic Interpretation of the Constitution of the United States*,

pages 324-325.)

15. The outlook for American democracy in 1789. (Bryce, *Modern Democracies*, vol. ii, chapter xxxviii.)

CHAPTER IV

ESSENTIALS OF AMERICAN CONSTITUTIONAL GOVERNMENT

31. THE AIM OF THIS CHAPTER.—The form of government established in this country by the Constitution of 1787 is known as a republic. A republic may be defined as a representative democracy, or, in the popular sense of the term, simply as a democracy. Now, to point out that a government is democratic does not necessarily mean that it is a sound government. Granting that self-government is morally right, the fate of a democracy will depend, partly upon the character of the people, and partly upon the nature of the governmental machinery through which that people expresses its will. The proof of democracy is in its workings. The aim of this chapter is not to pass judgment upon democracy, but rather to outline the essential characteristics of American constitutional

government. When this background has been secured we shall be in a position to begin a detailed study of applied democracy, to point out its merits, to call attention to its defects, and to consider how and to what extent it may be improved.

32. STRENGTH.—American constitutional government is a strong government. The weaknesses of the Articles of Confederation were avoided in framing the Constitution of 1787. Whereas the Confederation government was really headless, the Constitution of 1787 provided for a strong executive. The Confederation Congress could not levy taxes, but the Congress of the United States has adequate powers in this regard. There can be no recurrence of one of the chief financial troubles of the Revolutionary period, for at the present time the several states may neither coin money nor emit bills of credit. The Federal government has exclusive control of foreign affairs, so that no state may individually enter into any agreement with a foreign power. The Federal Constitution is the supreme law of the land, and no state action may contradict it. Unity has given us strength, and great crises, such as the Civil War and the World War, have ended by increasing that strength.

33. THE CHECK AND BALANCE SYSTEM.—A striking characteristic feature of American constitutional government is the check and balance system. By this system we mean all those constitutional provisions which divide and subdivide

governmental power among various sets of public agents. [Footnote: For a fuller discussion of the check and balance system see Chapter XXXIX.]

This division of powers is threefold. First, there is a division of power between the Federal government and the governments of the several states. The states are obliged to act in concert on most questions involving the nation as a whole, but the Federal Constitution safeguards the rights of the states by reserving to them all powers not specifically delegated to the Federal government. Second, in both Federal and state governments, power is still further distributed among the executive, legislative, and judicial branches in such a way that each branch constitutes a check upon the other two. Third, in both Federal and state governments there is a division of power within each of the three branches of government. Thus both the President of the United States and the governors of the various states are at least partially controlled by subordinate executive officials, while in the legislative branch of both Federal and state governments the upper and lower houses constitute a check upon one another. In the case of both Federal and state judicial systems there is a division of jurisdiction.

34. THE CHECK AND BALANCE SYSTEM SECURES STABILITY.—American government is not only strong, it is stable. This stability is due chiefly to the admirable way in which different governmental agents are balanced against one another. The check

and balance system renders us safe from the danger of anarchy, for though ultimate control is vested in the people, sufficient powers are entrusted to the governmental mechanism to protect it against popular passion. The system likewise protects us against despotism. So long as the Constitution endures, neither the Federal government nor the governments of the states may destroy each other. The undue concentration of political power is likewise rendered difficult by the division of power between the legislative, executive, and judicial branches of both Federal and state governments.

The significance of a properly applied check and balance system appears clearly when we compare our government with that of various other republics. In many of the ancient republics, for example, the powers of government were so unequally and so indefinitely divided that republican government degenerated either to despotism or to anarchy. Within the last century many Latin-American republics have modeled their governments after ours, and yet some of these republics are constantly threatened by either revolution or despotism. The explanation of this, according to Elihu Root, is that these republics have adapted our check and balance system so carelessly that they find it difficult, if not impossible, to maintain a really stable government. [Footnote: Here we are pointing out the fundamental merits of the check and balance system; later (Chapters XXXIV, XXXV, and XXXVI) we shall have

occasion to notice some of the disadvantages of this system.]

35. THE RIGHTS OF THE INDIVIDUAL.—We have not purchased strength and stability at the expense of personal freedom, for both Federal and state constitutions specifically safeguard the rights of the individual. The fundamental guarantees set forth in the Magna Charta, the Petition of Right, and the Bill of Rights were cherished by the American colonists, and in 1791 they formed the basis of the first ten Amendments to the Federal Constitution. Provisions similarly designed to safeguard individual rights are found in the constitution of every state in the Union. [Footnote: For an enumeration of these rights, see the first ten Amendments to the Federal Constitution, Appendix. Consult also the Bill of Rights in the constitution of your state.] From the beginning of our national history a fundamental principle of American government has been to allow the individual as much freedom of thought and action as is compatible with the general welfare.

36. CONTROL BY THE PEOPLE.—Under American constitutional government, sovereignty resides with the people as a whole, though the people act through their chosen representatives. There is no power in American government beyond that created or permitted by the people themselves. The suffrage, so narrowly restricted in the eighteenth century, has since widened to include the great majority of adults, both male and female. Elections are frequent, so that

ill-chosen officials may not long abuse their position. The Initiative, the Referendum and the Recall are methods of popular control which in many sections are spreading. Constitutional amendment in the United States is not easy; on the other hand, if any considerable percentage of the voters evince a sustained desire for change, an amendment is the normal result. [Footnote: In Part IV of the text we shall consider the dangers of an over-extension of popular control; here it is only necessary to point out that American government is essentially government by the people.]

37. EFFICIENCY.—The division of functions between the Federal and state governments on the one hand, and between state and local governments on the other, provides a solid foundation for the economical administration of government.

The Federal government attends to most matters which are of national importance, and which cannot properly be looked after by the states individually. For example, foreign relations, the postal service, and the coinage of money, are Federal functions. The separation of Federal and state functions is not always clear, but such matters as contracts, property rights, crime, and education are probably best administered by the state. There is, similarly, no sharp dividing line between the functions of state and local governments, but at present it appears that the local authorities are the most efficient administrators of roads and bridges, water and

paving, the elementary schools, and similar concerns.

The essential economy of this threefold division of functions is that each of the three sets of officials tends to concern itself with those matters with which it is best acquainted, and which are most advantageously administered by it.

38. UNITY.—The earlier European critics of our government declared that the division of powers between Federal and state governments would encourage civil strife. It is true that this division of powers has resulted in a decentralized rather than in a centralized form of government. It is equally true that the quarrel over states' rights was the fundamental cause of the Civil War. But that war settled the question of states' rights once and for all, and there has never again been any serious question as to the proper status of states and Union. American democracy has been found compatible with unity.

Nor has the decentralized character of American government kept us from presenting a united front in foreign wars. The concentration of war powers in the hands of President Lincoln during the Civil War was matched by the temporary dictatorship wielded by President Wilson during the World War. In both cases, the national executive became, for the period of the emergency, as powerful and as efficient as the executive of a highly centralized monarchy. This ability to exhibit unity of control and singleness of purpose in war-time enables us to claim for our form

of government one of the most important assets of the centralized monarchy.

39. THE SPIRIT OF PROGRESS.—Certainly one test of good government is the extent to which it renders the masses of the people happy and prosperous. American government has not yet exhausted the possibilities of helpfulness, but one of the chief aims of our political system is to encourage the individual in every pursuit which is legal and honorable. Lord Bryce has called America the land of Hope, because in spite of the defects of American government, a feeling of buoyancy and optimism is characteristic of our political institutions. America might also be called the land of Sane Endeavor, for we lend force and justification to our optimism by consistently working for the attainment of our ideals. To improve every condition of American life, and yet to work in harmony with the principles of constitutional government, that is our ideal. Progress must come through authorized channels, for, as Abraham Lincoln has said, "a majority, held in restraint by constitutional checks and limitations, and always changing with the deliberate changes of popular opinion and sentiment, is the only true sovereign of a free people, and whoever rejects it does of necessity fly to anarchy or despotism."

QUESTIONS ON THE TEXT

1. Upon what does the fate of a democracy depend?

2. Contrast the strength of our present government with the strength of the government established by the Articles of Confederation.

3. What is the check and balance system? Explain clearly.

4. Show how the check and balance system renders American government stable.

5. Why is stability not a feature of some of the Latin-American republics which have adapted our check and balance system?

6. What can be said as to the rights of the individual under American constitutional government?

7. To what extent is American government subject to popular control?

8. How does American government provide for a solid foundation for the economical administration of government?

9. What charge did the earlier European critics bring against American government? Has history substantiated or disproved this charge? Explain.

10. Compare the American democracy with a monarchy with respect to efficiency in war-time.

11. Why may America be called the land of Hope? To what extent may it properly be called the land of

Sane Endeavor?

12. What did Lincoln say as to the only true sovereign of a free people?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter iv.

Or all of the following:

2. Beard, *American Government and Politics*, chapter viii.

3. Bryce, *The American Commonwealth*, vol. ii, chapters c and cii.

4. Cleveland and Schafer, *Democracy in Reconstruction*, pages 48-66.

5. Root, *Addresses on Government and Citizenship*, pages 98-117.

QUESTIONS ON THE REQUIRED READINGS

1. What is meant by the doctrine of limited government? (Beard, pages 145-147.)

2. What are the two classes of constitutional limitations upon the Federal government? (Beard, pages 147-148.)

3. Describe the position of the judiciary in American government. (Beard, pages 164-165.)

4. What was the attitude of the republics of Greece and Rome toward the individual? (Root, page 98.)

5. Contrast this attitude with the "Anglo-Saxon idea." (Root, pages 98-99.)

6. Why is it important that a constitution be a written document? (Cleveland and Schafer, pages 54-S5.)

7. Why is it dangerous to suspend the constitutional guarantees of personal liberty? (Root, pages 114-115.)

8. What faults have philosophers and popular writers generally attributed to democratic governments? (Bryce, pages 613-614.)

9. To what extent are these faults attributable to American democracy? (Bryce, pages 614-629.)

10. Explain the capacity of our government to develop great vigor. (Bryce, pages 650-652.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a study of a club or society of which you are a member, or with which you are familiar. To

what extent does its organization illustrate the check and balance system?

2. Classify local or state officials in your commonwealth, in order to show differences in term and differences in the method of choosing them. To what extent do these differences constitute a check and balance system?

3. Make a list of the guarantees of personal liberty which are contained in the constitution of your state. Compare this list with similar lists made from the constitutions of other states. Compare the list with the first ten Amendments to the Federal Constitution.

4. Methods by which the constitution of your state may be amended.

5. Make a list of the chief public activities in your community or section. Which are local, which state, and which Federal? Do you believe that any of these functions could be more advantageously performed by some other division of government than that which is now performing it? Give reasons.

II

6. "Why democracy is best." (Tufts, *The Real Business of Living*, chapter xxxvii.)

7. Philosophy of the American constitutional system. (Beard, *Readings in American Government and*

Politics, pages 49-53.)

8. The relation of Federal and state governments in the United States. (Guitteau, *Government and Politics in the United States*, chapter xxi.)

9. Framework of American government. (Bryce, *Modern Democracies* vol. ii, chapter xxxix.)

10. The check and balance system. (Bryce, *Modern Democracies*, vol. ii, chapter lxiii. See also any standard text on American government.)

11. The theory of the separation of powers. (Beard, *Readings in American Government and Politics*, pages 138-140.)

12. The supremacy of Federal law. (Beard, *Readings in American Government and Politics*, pages 140-143.)

13. The meaning of liberty. (Bryce, *Modern Democracies*, vol. i, chapter vi.)

14. The meaning of equality. (Bryce, *Modern Democracies*, vol. i, chapter vii.)

15. A brief comparison of the American and European systems of government. (Bryce, *The American Commonwealth*, vol i, chapter xxv.)

16. American democracy contrasted with other democratic governments. (Bryce, *Modern Democracies, vol.* ii, pages 446-452.)

17. Democracy compared with undemocratic forms of government. (Bryce, *Modern Democracies*, vol. ii, chapter lxxiv.)

18. Efficiency of American democracy in the World War. (West, *The War and the New Age*, chapter x.)

CHAPTER V

THE PROBLEMS OF AMERICAN DEMOCRACY

40. NO GOVERNMENT IS PERFECT.—All government is a compromise, in that it is adopted or created for the purpose of harmonizing the interests of the individual with the interests of the group. The types of government are numerous, varying with the character of the group, and with the particular conditions under which it exists. But we know of no government which is perfect: all have shortcomings, some very serious, others less so. There is nothing to be gained, therefore, by debating whether or not American government is imperfect. A much more profitable question is this: What are the faults of American democracy, and how may they be eliminated or minimized? The most constructive

work which the American citizen is called upon to do is to grasp the character of the problems confronting his country, and then to attempt their solution.

41. THE WIDENING CIRCLE OF PROBLEMS.—The last two centuries have constituted an age of rapid change and development in all of the major phases of civilization. There have been rapid shifts in population, particularly in the younger countries of the world. Important discoveries have greatly increased our knowledge of natural science; epoch-making inventions have revolutionized manufacturing, commerce and transportation. In every civilized land there have been readjustments of political beliefs, as well as important changes in intellectual, religious, and social standards. Such an age is peculiarly an age of problems: it is a period of change and stress, a time of readjustment, of adaptation to changed conditions, of growth, and of development.

We in America are confronted by an ever widening circle of problems, and this chiefly for two reasons. In the first place, we have felt the impact of those forces which for the last two centuries have been creating problems the world over. In the second place, the whole period of our national development has fallen within this age of change and readjustment This means that we have had to grapple with the problems common to all modern countries during a period in which the origin and development of American democracy have been creating purely

domestic problems. These facts at least partially explain the growing importance of the problems of American democracy during the past century.

42. EFFECT OF AN ENLARGED SOCIAL CONSCIENCE.—Many of the issues of contemporary American life have come into prominence because we have enlarged the concept of democracy within the last century. The term democracy has come to imply, not merely a form of government, but actually a philosophy of life stressing justice and happiness for the individual, whether in his political, social, or economic capacity. The more humanitarian our view, the more situations calling for remedy fall within it. Child labor, to give a single example, was not generally considered an evil a century ago, but to-day an enlarged social conscience condemns it.

43. NECESSITY OF AVOIDING PATERNALISM.—The solution of many national problems implies an extension of government control. Now, it is not generally appreciated that while an enlarged social conscience has increased the number of our problems, the individualistic strain in the American nature resists that paternalism which at present appears necessary to an effective treatment of certain problems. We are behind Germany in legislation designed to prevent industrial accidents, lessen the evils of unemployment, and otherwise protect the worker against the risks of industry. But Germany has built up this system of social insurance by restricting personal liberty, and by greatly extending

the power of government over the individual. The great task confronting our government is to do as much for the individual as any paternalistic government, without endangering his rights by an undue extension of governmental control.

44. THE COMPLEXITY OF OUR PROBLEMS.—The mistake is sometimes made of thinking that national issues can be nicely defined, and separated from one another. The human mind has its limitations, and we are prone to emphasize the outline and content of particular problems in order to perceive their essential character the more clearly. But though this is permissible for purposes of study, we must bear in mind that the questions which we are to discuss are connected with one another in a most baffling way. To understand the administration of charity, for example, we ought to know the social, economic, and political background of the community under observation. The thorough study of this background would lead us to crime, education and other problems, which in turn have their connections with issues still further removed from the immediate problem of charity. The thorough understanding of a specific question thus implies consideration of many inter-related questions. Likewise, the solution of a particular question affects and is affected by the whole mass of related phenomena.

45. IMPORTANCE OF THE ECONOMIC BACKGROUND.—It would be unwise, perhaps, to claim that any definite group of problems is of

greater importance than any other group. But at least we may say that some problems are primary in origin, while others appear to be secondary, *i.e.* derived from those called primary. In the chapters which follow, the attempt has been made to arrange the groups of problems with some regard to their primary or secondary origin. Probably the most fundamental problems which face us to-day are those of economic organization. Properly to understand these problems the student must first grasp the essential facts of American industry. We shall begin our study of the problems of American democracy, therefore, with a survey of the economic life of the nation. Only after we have mastered the principles upon which American industry is based, shall we be in a position to solve the problems which arise directly from the nature of our economic organization.

46. INDUSTRIAL REFORM.—Our industrial life is so clearly based upon certain fundamental institutions, such as private property, free contract, and free competition, that an industrial "system" is said to exist. Certain great evils, notably poverty, have accompanied the development of this system. We shall discuss a number of programs designed to eliminate these evils. The doctrine of single tax is of interest as advocating the abolition or confiscation of land value. The co÷perative conduct of industry is of increasing importance of late years. We must also reckon with socialism as a movement which seeks

the redistribution of wealth. Under the general head of socialism we shall have occasion to notice a small but active group known as the Industrial Workers of the World, and the larger, though related, group which recently conducted a socialist experiment in Russia. The discussion of socialism completed, we shall sum up the attitude of American democracy toward the whole problem of industrial reform.

47. SOCIAL PROBLEMS.—Of the social problems which grow out of a bad economic situation, none is more vital than the fostering of peace and good will between labor and capital. Following the discussion of industrial relations, we shall have occasion to notice a whole series of social questions which have either been derived from, or accentuated by, the rapid industrialization of our country. Grave questions arise in connection with immigration, health, and the cityward drift. The consideration of the problems of the city in turn directs attention to the necessity of a normal rural life, and to the importance of safeguarding the American home. Dependency is a familiar problem, but one which, in the light of an awakened community spirit, is now being studied from new and interesting angles. Last among social problems is the fundamental matter of education. It is not too much to claim that the ultimate fate of American democracy depends, to a great extent, upon the vigor and intelligence with which we improve and extend our educational system.

48. RELATION OF GOVERNMENT TO BUSINESS.—Since our material well-being rests upon an economic basis, the public has a vital interest in business. The rise of great corporations and the necessity of safeguarding the public from monopolistic abuses make necessary a careful examination into the relation of government to business. We shall meet with this question: Shall the government regulate, or actually own, businesses of vital importance to the public? Equally knotty, but fully as interesting, is the tariff question. Should Congress tax foreign goods entering this country, and, if so, upon what principles should this tax be determined? This will bring us to the general problem of taxation, a subject to which the American people will probably devote an increasing amount of attention in the next few decades. The question of conserving our natural resources must also be discussed. Last in this group of problems may be mentioned the question of money and banking. In discussing this important subject we shall notice, among other things, the interesting Federal reserve system, which, it is hoped, will protect us from panics in the future.

49. PROBLEMS IN EFFECTIVE GOVERNMENT.—The economist has good reason for declaring that the getting of a living is one of the most fundamental concerns in life; on the other hand, no people can long get a comfortable living without the aid of a helpful system of government. Government must be

made effective. This introduces us to another series of problems. First of all, who shall share in government? And how may we improve the methods by which we select the agents of government? How may corruption and inefficiency be eliminated from American government? What is the significance of the Initiative, the Referendum, and the Recall?

These questions must prove of fascinating interest to those who think of democracy as a living institution which is constantly growing, developing, adapting itself to changed conditions.

50. WHAT IS THE PROMISE OF AMERICAN LIFE? —Rich in natural resources, ample in extent, encouraging to man's helpful efforts, America fulfills the first condition of national greatness. Intelligent and industrious, law-abiding and, devoted to the building of homes, our population fulfills the second condition.

Here we have all the raw materials out of which to build a great nation. Already we have made marked contributions to civilization, and yet it should not be forgotten that our chief claim to national greatness rests upon the promise which we show of being able to perfect American democracy.

To what extent will this promise actually be realized? As a nation we are yet young, as a people we have scarcely begun the greatest experiment in democracy which the world has ever seen. Shall we

endure, shall we attain to a half-success, shall we succeed gloriously?

Much depends upon the extent to which each of us assumes the responsibilities of citizenship. Those who have gone before us conquered a wilderness, expanded and preserved the Union. But it is not for us complacently to accept the result. Much has been done, but much more remains to be done. Our goal is the greatest possible perfection of our economic, social and political life. Each age may be said to have its peculiar burdens and responsibilities: the prime task of the colonist was to foster the tender shoot of democracy; that of the western pioneer was to fashion homes out of a wilderness; the burden of our generation is to grapple with the present-day problems of American democracy. Without a high sense of personal responsibility, coupled with an intelligent and consistent effort, we can never reach the high goal admittedly possible.

51. THE POINT OF VIEW IN PROBLEM STUDY.—To see American democracy and to see it as a whole should be our aim throughout the remainder of this book. Now this is not easy. The danger is that the unwary student will interpret the large amount of space devoted to "problems" as meaning that American life is preeminently unsettled and defective. This is a temptation to be guarded against. Though we shall uncover many defects, it should be remembered that we are predominantly a normal, healthy, prosperous people. But our virtues demand

our attention less urgently than do our defects. If we seem to be overconcerned with the defects of American life, the student should not conclude that American life is primarily defective. Rather, he ought to realize that it is precisely because a situation involves a problem that our attention is challenged.

Nor should problems be looked upon as something to be ashamed of. Where life is dull and civilization static, there are relatively few problems; where life is progressive and civilization steadily advancing, problems are numerous and pressing. Problems imply adjustment, development, the desire for improvement and advancement. They are signs of progress, the growing pains of civilization. If we bear this in mind, we shall be in a fair position to see American democracy in true perspective, without undue distortion of our viewpoint, and without prejudice to our judgment.

QUESTIONS ON THE TEXT

1. Why is there nothing to be gained by debating whether or not American democracy is imperfect?

2. Why has the circle of our problems been steadily widening during the last century?

3. Trace the relation between an enlarged social conscience and the number of problems confronting us.

4. What is one danger of paternalism?

5. Give a definite example to illustrate the complexity of our modern problems.

6. Discuss the importance of the economic background in problem study.

7. What problems may be included under the term "industrial reform"?

8. What problems arise in connection with public interest in business?

9. Name some of the problems arising in connection with the need for effective government.

10. What is the importance of individual responsibility in studying the problems of American democracy?

11. Outline clearly the point of view to be maintained in studying these problems.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter v.

Or all of the following:

2. Bryce, *The American Commonwealth*, vol. ii, chapters ci, cxiv, cxix, and cxxii.

3. Dunn, *The Community and the Citizen*, pages vii-xii.

4. McLaughlin, *Steps in the Development of American Democracy*, chapter viii.

QUESTIONS ON THE REQUIRED READINGS

1. What, according to Lord Bryce, are the essential intellectual traits of the masses of the American people? (Bryce, pages 825-826.)

2. Lord Bryce says that "there are elements in the life of the United States which may well make a European of any class prefer to dwell there rather than in the land of his birth." What are these elements? (Bryce, pages 870-873.)

3. What comment does Lord Bryce make upon the quality of humor in the American character? (Bryce, page 876.)

4. What three advantages does the United States have over European countries in the matter of grappling with modern problems? (Bryce, page 912.)

5. Explain the statement that "Democracy rests on faith." (McLaughlin, pages 181-182.)

6. What is meant by the statement that "Democracy is fundamentally a matter of human relationships"? (McLaughlin, pages 189-190.)

7. What, according to Lord Bryce, are the four chief defects of American democracy? (Bryce, page 632.)

8. What are the essential qualities which civic education should aim to cultivate? (Dunn, pages xi-xii.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a list of the problems which in any way affect you as a citizen in the community. List these problems in the order in which they occur to you, or are discovered by you. Comment upon the confused and disorderly appearance of the problems so listed.

2. Classify the problems on your list according as they are economic, social or political.

3. Classify the problems on your list according as they are local, state or national.

4. Comment upon the complexity and inter-relationship of the problems so classified.

5. What agencies, public, semi-public, or private, are studying the problems on your list?

6. What difference of interest do the citizens of your community show in local, state and national problems?

II

7. Defects of democratic government the world over. (Bryce, *Modern Democracies*, vol. ii, pages 452-454.)

8. The background of the problems of American democracy. (Merriam, *American Political Ideas*, chapter i.)

9. The hindrances to good citizenship. (Bryce, *Hindrances to Good Citizenship*.)

10. The promise of American life. (Croly, *The Promise of American Life,* chapter i.)

11. Attitude of the individual in a democracy. (Hughes, *Conditions of Progress in Democratic Government.*)

12. The power of ideals in American history. (Adams, *The Power of Ideals in American History*.)

13. Ideals of citizenship. (Woodburn and Moran, *The Citizen and the Republic*, chapter xx.)

14. The future of democracy. (Bryce, *Modern Democracies*, vol. ii, chapter lxxx.)

PART II—AMERICAN ECONOMIC

PROBLEMS

A. ECONOMICS OF AMERICAN INDUSTRY

CHAPTER VI

THE NATURE OF AMERICAN INDUSTRY

52. MAGNITUDE OF AMERICAN INDUSTRY.—In colonial times the major part of American industry was concentrated along the Atlantic seaboard; today it extends over a large part of the continent. A century and a half ago our industrial system was still a relatively simple one, giving rise to few pressing problems of national importance; at the present time it is a vast and complicated affair, closely bound up with many of the most vital problems which confront American democracy. The activities which are commonly grouped under the head of "American industry" are so numerous and so varied that a description of all of them would carry us beyond the limits of this chapter. Nevertheless, it is important that we secure some understanding of these activities. A few pages may profitably be spent, therefore, in discussing certain basic facts of American industry.

53. FAVORABLE LOCATION OF THE UNITED STATES.—Let us commence by noting that the location of the United States is favorable to the

development of industry. Of the two American continents, the northern has the greater natural advantages. Each continent is roughly in the form of a triangle with the apex or smaller end pointing southward, but whereas the larger end of the South American triangle is within the tropic zone and only the tapering end is within the more favorable temperate zone, the greater part of the North American triangle is within the temperate zone. With regard to location for world trade the northern continent again has the advantage: the ports of South America face a relatively empty ocean on the west and the little-developed continent of Africa on the east; the ports of North America, in addition to being more numerous and more suitable for commerce than those of the southern continent, face the teeming Orient on the west, and the great markets of Europe on the east. Moreover, the United States occupies the choicest portions of the North American continent. Our neighbor Canada has a cold and snow-bound frontier on her north, while on our south Mexico and the Central American countries lie near the tropics. The heart of temperate America, on the other hand, is included within the territory of the United States.

54. POPULATION.—Scarcely less important than the favorable location of the United States is the character of the people occupying the country. From less than four million in 1790, our population has increased so rapidly that in 1920 there were

105,710,620 people within the bounds of continental United States. As the population has increased, it has spread over the Appalachians, into the great Mississippi basin, and westward to the Pacific Ocean. Accompanying the increase and westward spread of the population has come a greater variety of racial types. Although our population was varied in colonial times, the great majority of the settlers were from the British Isles and northwestern Europe. In the latter part of the nineteenth century immigration from northern Europe declined and more and more immigrants began to come from southern and southeastern Europe. So universal has been the attraction of America, that our present population includes elements from every important country in the world. From the industrial standpoint, the dominant Characteristics of this composite American people are energy and versatility.

55. NATIONAL WEALTH.—Generations of industrious people have helped to make the United States the wealthiest nation in the world. It has been estimated that in 1850 our national wealth amounted to $8,000,000,000. By 1900 the remarkable progress of American industry had increased this figure to more than $88,000,000,000. In 1912 our wealth was probably in excess of $180,000,000,000. Industrial and financial disturbances during the period of the World War make later estimates hazardous, nevertheless it is interesting to note that in 1921 the wealth of the

United States was estimated as being between $350,000,000,000 and $400,000,000,000. According to this estimate, the wealth of this country exceeded, in 1921, the combined wealth of Great Britain, France, Germany, Italy, and Belgium. In weighing the value of this comparison, however, we must take into consideration the heavy destruction of wealth in western Europe because of the World War.

56. WHAT THE AMERICAN PEOPLE ARE DOING.—A large percentage of the inhabitants of the United States are engaged in some form of productive work. According to the most recent estimates there are approximately fifty million persons, male and female, over ten years of age, engaged in gainful occupations in this country. Of these about fourteen million are engaged in agriculture and allied industries, while more than eleven million are busy in manufacturing pursuits. Almost four million are found in some form of trade, and another four million are employed in domestic and personal service. Transportation, clerical work, and professional callings utilize the services of several additional million. The great majority of those employed in American industry are men, although the number of women in industry is steadily increasing. Children have been found in industrial pursuits since colonial times, but of recent years there is a growing movement to restrict or prohibit the employment of children in gainful occupations.

57. FORESTS AND MINERALS.—The natural

resources of the United States play a large part in our industrial life. One fourth of the territory of the United States is still covered with timber. We are abundantly supplied with coal and iron, the two most important industrial minerals. Our coal deposits outrank, both in quantity and in quality, those of any other country. Iron is found in most of the states in the Union, the high-grade deposits of the Lake Superior area being of special importance. We produce more than half of the world's supply of copper, which, after coal and iron, is the most important industrial mineral. Our supply of petroleum and natural gas is large, and in spite of the waste which has characterized our use of these important commodities, our production of both is still great. Gold, silver, zinc, lead and phosphates are produced in the United States in large quantities. Indeed, we have ample supplies of practically all of the minerals of importance to industry, except platinum, tin, and nickel.

58. AGRICULTURE.—Until very recently, at least, agriculture has been by far our most important industry. Of the two billion acres comprising continental United States, approximately half are under cultivation. In most sections of the country the quality of the soil is good, and rainfall is ample. We have long led the world in the value of farm crops grown. Our production of wheat, corn, oats, barley, rye, and dairy products totals an enormous figure. The steady enclosure of lands formerly used for

grazing stock is restricting our production of food animals, but we are still important as a producer of meats. Most of the world's tobacco is grown in this country. The world's supply of cotton is derived mainly from southern United States. Finally, our soil is of such variety, and our climate so diversified, that the danger of a general crop failure is slight. A loss in one part of the country is almost certain to be offset by good crops in another.

59. MANUFACTURING.—In colonial times American manufactures were subjected to more or less restraint by Great Britain, but after the Revolution these industries entered upon a period of free and rapid development. Modern machinery was introduced rapidly after 1800, large scale production was developed, transportation was fostered, and larger and larger markets were supplied with the products of American manufacturers. Particularly since the Civil War has the importance of our manufactures increased. This increase has been due chiefly to the large scale production of foodstuffs, including meats and flour; textiles; iron and steel products; shoes; chemicals; and agricultural machinery. According to recent census figures it would appear that we are passing from a predominantly agricultural life to a stage in which manufacturing is of relatively greater importance.

60. TRANSPORTATION AND COMMUNICATION.—The physical geography of the United States encourages the development of adequate means of

transportation and communication. The St. Lawrence-Great Lakes system gives easy access to the most fertile section of the continent. The Mississippi and its tributaries drain a million square miles of farm land. We have, in addition to 18,000 miles of navigable rivers, a greater coast line available for commerce than has the whole of Europe. New York is the world's greatest seaport.

Few mountain ranges hamper the development of transcontinental railroads in this country, and of these only one, the Rockies, is a serious obstacle to effective transportation. Our railroad mileage is enormous, a half dozen transcontinental lines being supplemented by numerous smaller roads and feeding lines. We have more than 2000 miles of canals in operation. Cheap and rapid transportation between the different parts of the country, supplemented by adequate means of communication by telephone, telegraph, and the postal service, undoubtedly has been one of the greatest factors in our national prosperity.

61. DOMESTIC AND FOREIGN TRADE.—The great majority of our products are not shipped to foreign markets, but are utilized within the country. We are still so young and so undeveloped a country that our manufacturers have been kept busy supplying the domestic market. This fact, together with the American manufacturer's lack of knowledge concerning the possibilities of foreign trade, explains our neglect of foreign markets. In proportion as our

manufacturers catch up with the domestic market, and in proportion as their knowledge of foreign markets increases, it is likely that they will give more and more attention to customers in other countries.

But though a very small proportion of our products are sent abroad, the foreign trade of the United States exceeds in value the foreign trade of any other country. This predominance is due, not so much to our search for foreign markets, as to the steady demand in other countries for three classes of goods in the production of which we have a distinct advantage. These three classes of goods are, first, raw materials of which we have a great abundance, such as cotton and copper; second, specialties invented and patented by Americans, such as inexpensive automobiles, typewriters, and phonographs; and, third, commodities which may be advantageously produced by large-scale methods, such as agricultural machinery and the cheaper grades of textiles.

62. SUMMARY AND FORECAST.—We have very briefly surveyed some of the basic facts of American industry. On the one hand, the favorable location and the rich natural resources of the United States have furnished a substantial basis for industrial progress. On the other hand, we must note that the American people are energetic and versatile,—combining, to a happy degree, the qualities of initiative and originality, perseverance and adaptability. The great wealth and prosperity of the

country as a whole have been the result of the combination of a favorable land and an able people.

This is not the whole of the story, of course. It must be admitted that, with all of our wealth, we continue to face serious charges of poverty and industrial maladjustment. These charges are of great importance, but it should be remembered that no problem can be solved, or even intelligently attacked, until the essential facts are well in hand. We have briefly described the nature of American industry. What we have now to do, as a preliminary to considering the problem of poverty and industrial reform, is to analyze the economic laws in accordance with which American industry has developed. The essential facts of the next four chapters cannot be weighed too carefully.

QUESTIONS ON THE TEXT

1. To what extent has the character of American industry changed in the last century and a half?

2. Compare North America with South America with respect to natural advantages.

3. Outline the changes which have occurred in the population of the United States since 1790.

4. Trace briefly the increase in our national wealth since 1850.

5. What are the chief occupations of the American people?

6. Name three important industrial minerals, and comment on our supply of each.

7. What are the chief characteristics of American agriculture?

8. Outline the growth of our manufacturing industries.

9. How are transportation and communication encouraged by the physical geography of the United States?

10. Why is our domestic trade of relatively greater importance than our foreign trade?

11. To what three types of goods is our predominance in foreign markets due?

12. What qualities of the American people have contributed to their industrial success?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,* chapter vi.

Or all of the following:

2. Bishop and Keller, *Industry and Trade,* chapters i

and ii.

3. Bogart, *Economic History of the United States,* chapter i.

4. Fetter, *Modern Economic Problems,* chapter i.

5. King, *Wealth and Income of the People of the United States,* chapter iii.

QUESTIONS ON THE REQUIRED READINGS

1. Describe briefly each of the six regions into which continental United States may be divided. (Bogart, pages 11-12.)

2. Why has the animal life of the North American continent declined in significance since colonial times? (Bogart, page 8.)

3. Into what five divisions may the forests of the United States be classified? (Bishop and Keller, pages 27-28.)

4. What may be said as to the temperature of the United States? (Bogart, pages 12-13.)

5. What may be said as to the extent of rainfall in the United States? (Bogart, page 13.)

6. Explain the importance of water power in the United States. (Bogart, pages 3-4.)

7. What changes in farm land values have been brought about in the last century? (King, pages 22-27.)

8. Discuss the value of urban land in the United States. (King, pages 15-21.)

9. Why is it extremely difficult to measure the wealth of the United States? (Fetter, pages 6-10.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Trace the growth in the population of your state since 1880. What have been the chief sources of this increase?

2. To what extent has the population of your state been affected by immigration from Europe? What attracts immigrants to your state? Have there been any changes in the character of this immigration since 1880?

3. Classify the population of your state on the basis of occupation. (Secure data from the State Board of Labor, or State Bureau of Statistics.)

4. Estimate the material wealth of your community. What light does the result throw upon the difficulties of summarizing the wealth of the nation?

5. Discuss the importance in the economic life of your section of

(a) Agriculture,

(b) Mining,

(c) Forestry,

(d) Manufacturing.

II

6. The economic geography of your section. (Consult Dryer, *Elementary Economic Geography*.)

7. A comparison of America three hundred years ago with the America of to-day. (Price, *The Land We Live In*, chapters i and ii.)

8. Character of the American population. (Burch and Patterson, *American Social Problems*, chapter ix.)

9. An analysis of the American character. (Bryce, *The American Commonwealth*, vol. ii, chapters cxiv and cxv.)

10. Ways of getting a living. (Carver, *Elementary Economics*, chapter xv.)

11. Geographical distribution of cities and industries in the United States. (Semple, *American History and Its Geographic Conditions,* chapter xvi.)

12. Agricultural industries in the United States. (Bishop and Keller, *Industry and Trade,* part ii. Smith, *Commerce and Industry,* chapters i, in, iv, v, and vi.)

13. Animal industries in the United States. (Bishop and Keller, *Industry and Trade,* part iii. Smith, *Commerce and Industry*, chapter ii.)

14. Power. (Smith, *Commerce and Industry*, chapter ix.)

15. Mineral industries in the United States. (Bishop and Keller, Industry and Trade, part iv. Smith, *Commerce and Industry*, chapters viii, xiii, xiv, and xv.)

16. Manufacturing industries in the United States. (Bishop and Keller, *Industry and Trade*, part v.)

17. Trade routes of North America. (Smith, *Commerce and Industry*, chapter xvi.)

18. The foreign trade of the United States. (Dryer, *Elementary Economic Geography*, chapter xxxii. See also any other recently published text on this general field.)

CHAPTER VII

WHAT IS MEANT BY PRODUCTION

63. WHY MEN WORK.—Ultimately everyone depends upon work for his living. Young children commonly live upon the earnings of their parents; most normal adults, on the other hand, depend upon their own efforts for their living. Since every individual probably works because of a combination of motives, it is possible somewhat to analyze the reasons why men work. The most fundamental reason for working is in order to preserve one's life. This assured, the individual is in a position to work in order to preserve the lives of those who are near and dear to him. When the necessities of life have been provided, work is commonly continued for the sake of acquiring comforts or luxuries.

Under a well-regulated legal system these efforts of the individual also benefit the community, but until he is able to support himself and his family, the average individual does not consciously make the public interest the chief end of his labors. However altruistic a man may be, he will not be able to labor consistently in behalf of others, unless he will thereby serve his own interests as well, or unless his personal needs have already been met.

64. THE OLD WAY OF GETTING A LIVING.—The economic history of eighteenth century England illustrates two rather distinct methods of getting a living, one of which may be called the old, and the

other the new. Up to about the middle of the century, the masses of Englishmen, in common with the people of other countries, got a very poor living. Most common necessities were made in the home and for purely family use. Shoes, clothing, tools, and similar articles were produced laboriously and on a small scale. In comparison with industrial conditions in the nineteenth century, there was at that time little industrial co÷peration [Footnote: By co÷peration is here meant simply the working together of different persons or groups of persons. Co÷peration in this sense is to be distinguished from co÷peration as discussed in Chapter XII.], little division of labor, little suspicion that men were, in spite of hard work engaged in for long hours, getting a very poor living. The trouble was, partly, that men had not yet fully realized the possibilities of helping one another, and partly that they were ignorant of how to make Nature really an efficient aid in getting them a living.

65. THE NEW WAY OF GETTING A LIVING.—After the middle of the eighteenth century the invention of a series of remarkable machines enabled Englishmen greatly to increase their productivity, first in the manufacture of textiles, and later in numerous other industries. By subdividing their labor more and more minutely, and by each specializing in the particular type of work which he could do best, men found that their total output could be greatly increased. This complex division of

labor, made possible by the use of water and steam power to run machines and to move vehicles of transportation, reduced the difficulty of getting a good living, that it constituted a veritable revolution in industry. Indeed, this change is known in history as the Industrial Revolution.

66. EFFECTS OF THE INDUSTRIAL REVOLUTION.—In the last century and a half the Industrial Revolution has spread to every important civilized country in the world, everywhere encouraging the application of machine methods to more and more industries. This change from production on a small scale, and often by hand, to large-scale production in factories equipped with complex machines, has had important results. It has so increased our control over Nature that even the humblest workman of to-day enjoys many comforts denied kings a few centuries ago. On the other hand, the Industrial Revolution has tended to create a numerous class which depends entirely upon wages, and to set off against this class an employing group which possesses and controls most of the income-producing equipment of industry. The significance of this last development will become clearer as we go along.

67. NATURE OF MODERN PRODUCTION.—In the study of modern production two fundamental facts confront us. The first is that the economist does not define production as merely the making of material objects. We desire material objects only if they will satisfy our wants. Since, also, the satisfaction of

wants is the important thing, it is clear that the performance of a service, such as teaching or painting, may be more important than the manufacture of a material object which no one wants. Production may thus be defined as the satisfaction of human wants. The manufacturer of a material object is productive only if that object is wanted by someone; he who supplies personal or professional service is productive if that service satisfies the wants of someone.

The second fundamental fact which confronts the student of modern production is the complexity of our industrial system. Three hundred years ago most of the commodities in daily use were made, either in the home and by the family members, or by small groups of artisans working together under relatively simple conditions. To-day production is a vast and complicated process. To the eye of the untrained observer a great mass of factories, farms, railroads, mills, machines, ships, and busy laborers appears without order and, often, without purpose. The task immediately before us is to analyze this mass, and to point out the nature of the various factors which contribute to the productive power of a community.

68. NATURE A FIRST FACTOR IN PRODUCTION. —Nature is defined by the economist as inclusive of all of the materials and forces furnished in the form of land and its products, oceans, lakes, rivers, rain, humidity, and climate. Since Nature is rather a vague term, and since, also, the economist looks upon land

as the most important element in Nature, we may lump together all of the materials and forces of Nature and apply the term "land."

Taken in this sense, land is clearly of great importance in production. We build houses and factories upon it, we use it as a basis of transportation, we harness its motive power, and we make extensive use of the innumerable raw materials which it furnishes. Without land there could be no production, in the sense in which the economist understands the word.

69. MAN'S LABOR A SECOND FACTOR IN PRODUCTION.—Something besides land, or Nature, is necessary before our wants can be satisfied. Nature is often careless of our needs and desires. True, she offers us berries, coal, firewood, and many other commodities which are practically ready to use, but even these articles will not satisfy our wants unless we go to the trouble to secure possession of them. In an important sense Nature is passive, and if she is to furnish us with a living, we must engage in labor. This labor may be mental or physical, the important point being that it is effort undertaken to increase our control over Nature. Savages are content to use products in substantially the form in which Nature provides them; civilized peoples work over the products of Nature until the utility or want-satisfying power of those products has been greatly increased. Man's living improves as he progresses from indolence to hard physical labor, then from

hard physical labor alone to a combination of physical and mental labor intelligently directed.

70. CAPITAL A THIRD FACTOR IN PRODUCTION. —Land to furnish raw materials, and man to make use of those materials,—what more is necessary? Nothing else would be necessary if all of Nature's gifts were readily accessible, and if man unaided could make the best use of them. But Nature hides or disguises many of her treasures, and man is physically weak. Hence he has hit upon the device of making tools to help him in his contest with Nature. During the period of the Industrial Revolution many simple tools were supplanted by complicated devices run by power and called engines and machines. To the economist tools and similar devices are a form of capital, capital being defined as inclusive of everything which man has created, or caused to be created, in order to help in further production. [Footnote: Land has not been created by man but is a gift of Nature. Land, therefore, is not a form of capital.]

The fashioning of hammers and saws, the construction of railways, and the manufacture of machinery, all these operations create capital. The systematic creation and use of capital is one of the distinguishing features of modern civilization. The laborer alone can produce little; aided by capital he can produce much. Capital is not important if one is willing to live like a savage; on the other hand, it is indispensable if one wishes to enjoy the benefits of

civilization.

71. COÍRDINATION A FOURTH FACTOR IN PRODUCTION.—Land, labor, and capital are factors in production. Two hundred years ago nothing else was essential to production. The average individual had his own land, produced his own tools or capital, and relied chiefly or entirely upon his own labor.

But the Industrial Revolution enlarged and complicated production. It created an industrial system in which the individual is generally a specialist, producing a surplus of his one product, but dependent upon numerous other persons for most of the things which he personally consumes. To-day, for example, there are numerous individuals raising cattle, the hides of which are to be made into shoes; other individuals are perfecting means of transportation so that those hides may be carried to market; still other persons concern themselves only with the building of factories or with the manufacture of machines with which to work those hides into shoes. These various individuals and groups may never see each other, nevertheless they aid one another.

The secret of this often unseen and unconscious co÷peration is that there are individuals who specialize in the work of connecting up, or co÷rdinating, the other factors which are necessary to the production of shoes. These individuals, about whom we shall have more to say in the next chapter,

constitute an important economic group. They co÷rdinate, in the example given above, the cattle grower, the railroad manager, the tanner, the factory builder, and the manufacturer, and thus make possible a kind of national or even international co÷peration which would otherwise be impossible. Those whose function it is to promote this co÷peration are, therefore, indispensable factors in modern production.

72. GOVERNMENT A FIFTH FACTOR IN PRODUCTION.—A cursory examination of modern industry would convince the observer that land, labor, capital, and co÷rdination are important factors in production. There is, in addition, a factor which is so fundamental, and of such essential value, that it is sometimes overlooked altogether. This is the work of the government in protecting productive enterprises. Government aids in production by suppressing theft, violence, and fraud; by allowing individuals to engage in helpful businesses; by enforcing contracts entered into legally; and by punishing many kinds of monopolistic abuses. [Footnote: We shall take up the problem of monopoly in Chapters XXVII and XXVIII.] The whole fabric of American prosperity is built upon the foundation of law and order.

73. SUMMARY AND FORECAST.—Production in the economic sense consists in doing that which will satisfy human wants. Modern production is a vast and complicated process, involving the co÷peration

of five factors: land, labor, capital, co÷rdination, and government. In a later chapter we shall find that there are wide differences of opinion as to the relative importance of some of these factors. We shall find, indeed, that the most vital economic problems which confront American democracy depend for their solution upon a clear understanding of the facts stated or implied in this chapter. The student ought not, therefore, to accept hastily the statement that land, labor, capital, co÷rdination, and government are necessary in production, but ought rather to reason out just how and why each is actually helpful in American industry.

QUESTIONS ON THE TEXT

1. What are the chief reasons why men work?

2. Describe the "old way of getting a living."

3. Just what is meant by the "new way of getting a living"?

4. What were the chief effects of the Industrial Revolution?

5. What is the economist's definition of production?

6. Just how does Nature help in production?

7. Explain the relation of Nature to land.

8. Show how man's labor is necessary in production.

9. What is the nature and function of capital?

10. Discuss co÷rdination as a factor in production.

11. Name a fifth factor in production.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter vii.

Or all of the following:

2. Carver, *Elementary Economics*, chapters ix-xiii.

3. Adams, *Description of Industry*, chapter v.

4. Ely, *Outlines of Economics*, chapter viii.

5. Smith, *Wealth of Nations*, Book I, chapters i and ii.

QUESTIONS ON THE REQUIRED READINGS

1. What instinct in man gives rise to the division of labor? (Smith, chapter ii.)

2. Name and distinguish between the two kinds of division of labor. (Carver, pages 77-82.)

3. How does pin making illustrate the principle of the division of labor? (Smith, chapter i.)

4. How does the meat packing industry illustrate the principle of the division of labor? (Ely, page 125.)

5. To what extent does the cotton mill illustrate the principle of the division of labor? (Ely, pages 124-125.)

6. What are the three fundamental advantages which result from the division of labor? (Smith, chapter i; Carver, pages 75-76; Ely, page 126.)

7. What are the effects of the complex division of labor upon the worker? (Ely, pages 127-128.)

8. Describe the chief sources of power utilized by man. (Carver, chapter x.)

9. Discuss the origin of capital. (Carver, chapter xi.)

10. What are the two factors which give value to land? (Carver, page 111.)

11. Explain the statement that thousands of individuals co÷perate to furnish the humblest workman with food and clothing. (Smith, chapter i.)

12. What is the secret of modern industrial efficiency? (Adams, page 87.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Visit a factory, mill or shop in your vicinity and study the organization of the plant with regard to the application of the principle of the division of labor. Secure the amount of output per man by dividing the total product by the number of workmen co÷perating in its production. Compare the output per man under these conditions with the probable output per man if each workman were working separately, without material assistance from other workmen.

2. Study, both by inquiry and by observation, the effects of the division of labor upon the health and spirits of the workmen in the factory, mill or shop visited.

3. Classify the industries in your locality on the basis of whether they rely chiefly or entirely upon human, animal, water, steam or electric power. Why does each industry not utilize some other form of power than that actually used?

4. Classify some of the familiar occupation groups in your community according as they derive their incomes chiefly or entirely from land, labor, capital, or the process of co÷rdinating land, labor, and capital. Test the productivity of each group by the standard advanced in section 67 of the text.

5. Attempt to show to what extent each of the five factors of production has contributed toward the erection and furnishing of your schoolhouse.

II

6. The Industrial Revolution in England. (Ely, *Outlines of Economics*, chapter iv. Cheyney, *Introduction to the Industrial and Social History of England*, chapter viii.)

7. Colonial industries. (*Lessons in Community and National Life*, Series A, pages 73-83; Series B, pages 17-25; Series C, pages 17-25. See also Bogart, *Economic History of the United States*, chapter iv.)

8. The Industrial Revolution in the United States. (Bogart, *Economic History of the United States*, chapter xii. Ely, *Outlines of Economics*, chapter vi. Marshall and Lyon, *Our Economic Organization*, chapter viii.)

9. The significance of the cotton gin. (Consult an encyclopedia.)

10. Cyrus McCormick and the reaper. (Consult an encyclopedia.)

11. The story of a loaf of bread. (Wood, *The Story of a Loaf of Bread*. Additional material on this subject

may be secured by writing to the International Harvester Company, Chicago.)

12. The story of iron and steel. (Smith, *The Story of Iron and Steel*, pages 23-126.)

13. Development of business organization. (*Lessons in Community and National Life*, Series A, pages 169-178.)

14. Economic work of the United States government. (Dryer, *Economic Geography*, chapter xxxiii.)

CHAPTER VIII

EXCHANGING THE PRODUCTS OF INDUSTRY

74. RELATION OF THE DIVISION OF LABOR TO EXCHANGE.—In the self- sufficing stage that existed in industry a few hundred years ago, there was generally little necessity for the exchange of products. Each family produced most of the commodities which it needed, and depended relatively little upon the products of persons outside the family circle.

But the complex division of labor which developed out of the Industrial Revolution has made the exchange of products increasingly important. To-day the typical workman concentrates upon one particular kind of work, and is content to exchange a share of his earnings for the numerous goods and services which he cannot supply for himself. Exchange thus increases the total output of the community or nation by permitting individuals to specialize in those commodities which they can produce most effectively.

75. RELATION OF TRANSPORTATION AND COMMUNICATION TO EXCHANGE.— Exchange is largely dependent upon transportation and communication. In the United States, for example, not only do the individuals of a particular community specialize in various types of work, but the different sections of the country are devoted to the production of those commodities for which they are best suited. Thus it is largely true that New England is best suited to manufacturing, the South to the growing of cotton, and certain parts of the West to the production of lumber and foodstuffs. The suitability of a region to a particular class of products is due, partly to location, partly to the nature of the soil and the climate, and partly to the inclination and training of the people. But whatever its causes, this territorial division of labor could not be carried out without an efficient system of transportation and communication. Communication by mail, telephone,

and telegraph is necessary to allow producers and consumers in different parts of the country to keep in touch with one another. Transportation by land and water is necessary if the surplus products of one section are to be exchanged for the surplus products of other sections.

76. TYPES OF COÍRDINATORS.—Those who perform the work of co÷rdination in industry are commonly referred to indiscriminately as business men, middlemen, or entrepreneurs. [Footnote: the term "entrepreneur" is awkward and little known, but no more satisfactory term is available.] The meaning of these three terms is distinguished with difficulty, but to avoid confusion later on the essential character of each should be pointed out here. The term business man is very wide, and is commonly inclusive of all who actively engage in any sort of business. The primary function of the middleman is to act as a connecting link between various industrial enterprises. The entrepreneur, on the other hand, is primarily an individual who co÷rdinates land, labor, and capital with the intention of initiating and conducting a business enterprise. In so far as he acts as a connecting link between other industrial agents, the entrepreneur is a middleman, but the middleman is usually thought of as an individual who connects up existing businesses, rather than initiating a new enterprise. To the functions of the entrepreneur we shall return in the next chapter; here it is the middleman proper who is our chief concern.

77. IMPORTANCE OF THE MIDDLEMAN.—The chief stages of shoe manufacture may serve to illustrate the great importance of the middleman in exchange. The middleman, anticipating a demand for beef and hides, connects the cattle grower with the live-stock market. Still later it is a middleman who offers raw hides to the tanner, and who sees that the wholesale leather merchant comes into business contact with the tanner. The banker or broker who connects the entrepreneur with the money with which to set up a shoe factory may be called a middleman, as may the individual who aids the entrepreneur in getting the required amounts of land and labor with which to start manufacturing. When, under the direction of the entrepreneur, the shoe has been manufactured, it is often a middleman who connects the shoe wholesaler with the finished product. The jobber who buys large quantities of shoes from the wholesaler and sells them to the retailer in small lots is a middleman. The advertising man whose description and pictorial representation of the shoe causes the consumer to buy it of the retailer is also a middleman.

78. NOT ALL MIDDLEMEN ARE SOCIALLY NECESSARY.—By co÷rdinating the work of these various individuals, many of whom are themselves middlemen, the middlemen whom we have been describing allow the community to secure the full benefit of the division of labor and of exchange. Where there exist just enough middlemen to

co÷rdinate with maximum efficiency the various industrial agents of a community, the community gains. When, on the other hand, there are more middlemen at work than are really needed to perform the work of industrial co÷rdination, the community loses. This loss is a double one: first, the working energy of the superfluous middlemen is wasted, or at least is applied uneconomically; second, middlemen are paid, directly or indirectly, out of the product which they handle, so that the handling of a commodity by an unnecessarily large number of middlemen means higher prices for the ultimate consumers of that commodity. [Footnote: The existence of superfluous middlemen constitutes a grave problem, to which more and more attention is being given. Various aspects of this problem are discussed in Chapters XII and XXV.]

79. BARTER.—We have seen *what* the middleman does; it remains to point out *how,* or by means of what mechanism, he performs his functions. When savages, and civilized peoples living under primitive conditions, wish to exchange their surplus goods, they generally resort to barter, *i.e.,* they exchange one commodity directly for another. Where the division of labor has been so little developed that the goods to be exchanged are relatively few, this may work very well, but in modern industry barter would be inexpedient, if not impossible. The farmer who had a surplus of cattle and desired a piano might have great difficulty in finding a man who had a

surplus piano and who also desired cattle. Even though the farmer liked the piano in question, and even though the owner of the piano were pleased with the farmer's cattle, it might be impossible to measure the value of the piano in units of cattle.

80. NATURE AND FUNCTION OF MONEY.—To facilitate exchange civilized peoples make an extensive use of money. Money may be defined as anything that passes freely from hand to hand as a medium of exchange. [Footnote: The terms "money" and "capital" are often used interchangeably. Strictly speaking, however, money is a form of capital. Moreover, it is only *one* form of capital] In modern times gold, silver, nickel, and copper coins have been the most familiar forms, though paper currency is also an important form of money. There is nothing mysterious about money: it is simply a means of facilitating exchange by saving time and by guaranteeing accuracy in measuring the relative values of commodities.

Let us see how money actually aids in the exchange, say, of cattle and pianos. The farmer disposes of his cattle to a middleman, receiving in return money, the authenticity of which is guaranteed by the government's stamp upon its face. There is no difficulty in making change, for money can be so minutely divided as to measure the value of an article rather exactly. The farmer does not fear that he could not use the money received for the cattle, for money is generally accepted in exchange

for any commodity. The farmer now offers the money to the piano-owner, who is probably a middleman. Again the fact that money is finely divisible allows an accurate money measure of the value of the piano. The owner of the piano, if he is satisfied with the amount of money offered, does not hesitate to accept the farmer's money, since he, too, realizes that he can use the money to purchase the things that he in turn desires.

81. VALUE AND PRICE.—We have used the term "value" several times; as part of our preparation for the study of the great problem of industrial reform, we must understand precisely what is meant by the term.

Suppose, for the sake of clearness, that we speak of a market as a definite place where goods are bought and sold. Individuals take or send their surplus products to the market for sale; individuals desiring to buy commodities likewise resort to the market. In the market commodities are said to have value, that is to say, they have power in exchange. The power of a commodity in exchange is measured in money, and the amount of money for which a commodity will exchange is called its price. Price is thus a measure, in terms of money, of the value of a commodity.

The value of a commodity in the market is dependent, partly upon its utility, or want-satisfying power; and partly upon its scarcity. In other words, the value of a commodity depends partly upon the

intensity with which it is desired by persons able and willing to purchase it, and partly upon its available supply. Price is set as the result of the interaction of the forces of supply and demand, this interaction commonly taking the form of a bargaining process between prospective sellers and prospective buyers.

QUESTIONS ON THE TEXT

1. Explain clearly the relation between the division of labor and exchange.

2. To what extent is exchange dependent upon transportation and communication?

3. Name three types of co÷rdinators, and distinguish between them.

4. Illustrate the functions of the middleman with reference to the shoe industry.

5. Where there exist in a community more middlemen than are really needed, what double loss results?

6. What is barter?

7. Why is barter not extensively used in modern industry?

8. Define money.

9. What is the primary function of money?

10. Give an illustration of the service performed by money.

11. Define value. Distinguish between value and price.

12. Upon what two factors is value dependent?

13. How is price set or determined?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter viii.

Or all of the following:

2. Adams, *Description of Industry*, chapter viii.

3. Carver, *Elementary Economics*, chapters xix, xx, xxi, xxii, and xxiv.

4. Hayward, *Money, What It Is and How to Use It*, chapter viii.

5. Smith, *Wealth of Nations*, Book 1, chapters iii and iv.

QUESTIONS ON THE REQUIRED READINGS

1. Name some commodities which at one time or another have been used as money. (Carver, pages 215-216.)

2. Why were precious metals first coined? (Smith, chapter iv.)

3. What is meant by the phrase "Time is money"? (Carver, page 183.)

4. What is the function of the bank check? (Hayward, pages 58-60.)

5. Explain the meaning of scarcity. (Carver, page 203.)

6. What are the characteristics of a modern market? (Adams, pages 139- 148.)

7. What is meant by the "higgling of the market"? (Adams, page 139.)

8. What is the "first law of the market"? (Carver, page 201.)

9. What are the four industrial agencies on which the organization and practice of the modern market depend? (Adams, pages 148-152.)

10. What is meant by the "widening of the market"? (Carver, page 171.)

11. Explain the statement that "the division of labor is limited by the extent of the market." (Smith, chapter iii.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. In the production of what commodities do the people of your section tend to specialize? To what extent is this specialization due to the nature of the soil and climate? To geographical location? To the training of the people?

2. What becomes of the surplus products of your section? Trace these products as nearly as possible to the ultimate consumer.

3. List the articles of food which appear on your dinner table and attempt to discover the source of each.

4. To what extent does the exchange of products in your section take place by means of canals, inland waterways, ocean-going vessels, motor truck, horse teams, railroads?

5. To what extent are the telephone and telegraph used to facilitate exchange in your section?

6. Visit a near-by market and study the operations there, with reference to the facts discussed in this chapter.

7. List and classify the middlemen of your community.

II

8. Internal trade and transportation in the United States a century ago. (Bogart and Thompson, *Readings in the Economic History of the United States*, pages 240-251.)

9. Transportation and communication in the United States since 1860. (Bogart, *Economic History of the United States*, chapters xxiv and xxv.)

10. Early forms of money. (Bullock, *Selected Readings in Economics*, pages 387-399.)

11. Forms of money at the present time. (Adams, *Description of Industry*, chapter x.)

12. Why coinage is necessary. (Bullock, *Selected Readings in Economics*, pages 399-400.)

13. The minting of coins. (*Lessons in Community and National Life*, Series C, pages 177-185.)

14. Paper money. (*Lessons in Community and National Life*, Series C, pages 185-192.)

15. Functions of money. (Adams, *Description of Industry*, chapter x.)

16. The commercial bank. (*Lessons in Community and National Life*, Series A, pages 187-192.)

17. An English fair in the eighteenth century. (Bullock, *Selected Readings in Economics*, pages 325-333.)

18. The development of business organization. (Marshall and Lyon, *Our Economic Organization*, chapters ix and x.)

CHAPTER IX

DISTRIBUTING THE INCOME OF INDUSTRY

82. THE PROBLEM PRIOR TO THE INDUSTRIAL REVOLUTION.—The distribution of industrial income has to do with dividing the products of industry, or the money which represents those products, among the various individuals who have aided in their creation.

The problem of distribution has existed ever since men first combined for purposes of production, but until the period of the Industrial Revolution the question was relatively unimportant. When, three hundred years ago, most necessities were produced within the family circle, there was little or no question as to whether or not individuals outside the family ought to be rewarded for having helped in the production of those commodities. If one member of the family made an entire pair of shoes, for example,

he was clearly entitled to those shoes, at least so far as economic principles are concerned. Even where different members of the family combined to produce a pair of shoes or an article of clothing, the small number of persons involved, as well as the close identity of interests among the family members, kept the problem of distribution from becoming a serious one.

83. EFFECT OF THE INDUSTRIAL REVOLUTION UPON THE PROBLEM.—The Industrial Revolution greatly increased the importance of the problem of distribution. Indeed, the growth of the factory system, and the greater and greater complexity of the division of labor, have made the distribution of industrial income the basic problem in our economic and social life. Many commodities are still produced by individuals working independently, or by the joint efforts of the members of a family, but the vast majority of commodities are now produced by the joint efforts of numerous individuals who are not bound together by family ties. The production of a factory-made shoe, for example, involves large numbers of people, including the cattle grower, the transportation agent, the tanner, numerous laborers, the individuals who supply land and capital to the entrepreneur, and the entrepreneur who conducts the enterprise. The welfare of millions of people is involved in the distribution of industrial income among individuals who co÷perate in such enterprises as this.

84. DIFFICULTY OF THE PROBLEM.—Under modern industrial conditions most commodities are produced by the combined efforts of large numbers of people. All these people help along the productive process, though in different ways and to a varying degree. Since all help, all are entitled to payment. But this is less simple than it sounds. How shall we determine how much each one helps, and how shall we decide how much each one is to receive?

At the outset of the discussion, we can be sure of at least one fact, *i.e.* that since all the individuals involved in a given enterprise must be paid out of the value of the finished product, the combined sums received by them cannot long exceed the total value of that product. Unfortunately, this fact is often overlooked. Many of the individuals who aid in production often become so intent upon securing their share, that they are over-ready to explain their contribution to the product, but loath to give due credit to those who have co÷perated with them. It is the belief that some individuals receive too little of the joint income of industry, while other individuals receive too large a share, which has given rise to the charge of injustice in the distribution of wealth.

85. SIGNIFICANCE OF THE ENTREPRENEUR IN DISTRIBUTION.—For the sake of clearness, let us continue to illustrate the nature of distribution by reference to the shoe industry, carried on under conditions which are not unduly complicated.

The individual having control of the actual manufacture of the shoes is the entrepreneur. It is he who, in anticipation of a demand for shoes, has initiated the enterprise. Suppose, for the sake of simplicity, that the entrepreneur has secured land from the land- owner, capital from the capitalist, and labor from the workmen. Protected in a legitimate enterprise by the government, he has set himself up as a manufacturer of shoes. Since he is in control of the enterprise, it is he who pays the land-owner, the capitalist, and the laborers, for their respective contributions toward the finished shoes.

The amounts received by the individuals co÷perating with the entrepreneur are not, however, arbitrarily determined. The entrepreneur must bow to economic law, and give these individuals what free competition in industry sets as a proper reward for their respective services. Let us examine into this conformity to economic law.

86. THE LAND-OWNER RECEIVES RENT.—The land-owner is rewarded because he extends the use of land to the entrepreneur. A land-owner could not be expected to, and will not, allow the entrepreneur free use of this land. The land-owner must therefore be paid for the use of the land. The entrepreneur, on the other hand, is able and willing to pay for the use of the land because upon it he expects to build a factory in which to manufacture shoes. He therefore pays the land-owner an amount of money called rent. The amount of rent paid for a piece of land depends

partly upon how much the entrepreneur wants the land, and partly upon the available supply of land of the type wanted. This is equivalent to saying that rent is determined by the interaction of the two forces of supply and demand.

87. THE CAPITALIST RECEIVES INTEREST.—Besides land, the entrepreneur needs machinery, office equipment, raw materials, the services of laborers, and numerous other aids in production. Let us assume that the entrepreneur borrows of a capitalist the money required to procure these necessities. The entrepreneur can afford to pay interest for the use of this money, since with the aid of the goods and services which it will buy, he can produce more shoes than would otherwise be possible. Not only can he afford to pay interest, but he is obliged to pay it, since otherwise he could not secure the required loan. Though some people tend carelessly to overlook this fact, saving and abstinence are necessary to the accumulation of money. The individual who has money, therefore, cannot be expected to allow the entrepreneur to use it without payment, especially not when, as we have just seen, the entrepreneur can acquire wealth by the use of the goods and services which that money will buy.

The amount of interest which the capitalist receives for the use of his money will depend, as will rent, upon the law of supply and demand. If there is a large amount of funds available for investment, and at the same time few borrowers, then a given

capitalist must be content to accept a relatively low rate of interest, lest his refusal cause the entrepreneur to close a bargain with a competing capitalist. If, on the other hand, available funds are scarce and entrepreneurs are greatly in need of money, then capitalists are at an advantage and entrepreneurs must offer relatively high rates of interest.

88. THE LABORERS RECEIVE WAGES.—The payment which the laborers receive for their part in the production of the shoes is called wages. Since the laborers help in shoe manufacture, the employer can afford to pay them. Not only can he afford to pay them, but he must pay them. Otherwise the laborers would not work for this particular entrepreneur, but, in a freely competitive market, would offer their services to a competing employer.

Wages, like rent and interest, depend upon the conditions of supply and demand. If, in comparison with other aids in production, the services of laborers are wanted badly, and if, at the same time, there is a scarcity of the desired type of labor, then wages will be high. If, on the other hand, there is an over supply of laborers, and also a small demand for that type of labor, then wages will tend to be low.

89. THE GOVERNMENT RECEIVES TAXES.—In addition to paying the land- owner, the capitalist, and the laborers for their share in producing the shoes, the entrepreneur must pay taxes to the

government. These taxes may be considered as payment for that maintenance of law and order without which the economical manufacture of shoes would be impossible. The share which goes to the government is determined by a unique method: the government does not try to secure as large a share of the product as possible, but strives, on the contrary, to exact as little as possible, and still meet its expenses. The subject of taxation requires special treatment [Footnote: See Chapter XXXII.] and does not, therefore, call for further mention in this chapter.

90. THE ENTREPRENEUR RECEIVES PROFITS.—That share of the income derived from the sale of the shoes which goes to the entrepreneur is called profits. It is only fair that the entrepreneur receive some reward, for it is he who conceived the idea of shoe manufacture and then carried out the project. Without his efforts the land-owner, the capitalist, and the laborers would not have combined in this enterprise, with the result that there would have been fewer shoes in the community. Fewer shoes would probably mean more expensive shoes. And not only does the entrepreneur deserve some reward for thus adding to the well-being of the community, but if he did not receive that reward, he would not go to the trouble of initiating and maintaining a shoe manufacturing establishment.

The share going to the entrepreneur is determined less exactly than is the share of the land-owner, the

capitalist, and the laborers. In dividing up the income of the business, the shoe manufacturer must, in an important sense, put himself last. Before there are finished shoes to sell, he must pay the land-owner rent, the capitalist interest, and the laborers wages. Before he is allowed to count out his own share he must also pay taxes to the government, pay insurance on his plant, and set aside an amount sufficient to keep his buildings and machinery in repair. He cannot evade the payment of rent, interest, or wages on the plea that these payments will diminish his profits. He has contracted to pay the landlord, the capitalist, and the laborers, and he must fulfill that contract. If, after paying all of his expenses, there is anything left, the entrepreneur retains it as profits. Sometimes this share is very large, sometimes it is so small as to force the entrepreneur out of business. In any case, the chief risks and responsibilities of the whole enterprise are concentrated upon the entrepreneur, rather than upon the land-owner, the capitalist, or the laborers.

91. THE DETERMINANTS OF EACH SHARE.—To sum up, the share of the joint industrial income going respectively to the land-owner, the capitalist, and the laborers is determined by the interaction of the forces of supply and demand, operating under conditions of free competition. The entrepreneur's demand for land, labor, or capital will depend upon whether or not he sees an opportunity, under a particular set of circumstances, to add to his product

by the employment of each or all of these factors. Where the supply of laborers is large, relatively to demand, the promised product of any one laborer is likely to be relatively small, and in this case the entrepreneur or employer will be unwilling or even unable to offer a particular laborer high wages. Under these circumstances the competition of the many laborers for the few jobs will accordingly bring about lower wages. Where, on the other hand, the supply of laborers is small, relatively to demand, the chances that a particular laborer will be able to add to the product are relatively great, and the competition of employers for laborers will result in higher wages. The same reasoning is applicable to rent and interest. The automatic operation of the law of supply and demand, functioning in a freely competitive market, determines the shares which go to land, labor, and capital. The share going to the individual entrepreneur is, as has already been pointed out, a residual share, *i.e.* what is left over.

QUESTIONS ON THE TEXT

1. What is meant by the distribution of industrial income?

2. Why was this distribution of relatively small importance prior to the Industrial Revolution?

3. In what way did the Industrial Revolution accentuate the importance of the problem of

distribution?

4. What are the chief difficulties which confront the student of this problem?

5. What belief has given rise to the charge of injustice in the distribution of wealth?

6. Explain the significance of the entrepreneur in distribution.

7. What is the nature of rent?

8. Why does the capitalist receive interest?

9. Why does the laborer receive wages?

10. What is the government's share in distribution?

11. What is the nature of profits, and how are they determined?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter ix.

Or all of the following:

2. Carver, *Elementary Economics*, chapters xxx and xxxi.

3. King, *Wealth and Income of the People of the United States*, chapter vii.

4. Thompson, *Elementary Economics*, chapters xx to xxiv inclusive.

QUESTIONS ON THE REQUIRED READINGS

1. What is meant by non-competing groups? (Thompson, page 296.)

2. What are the chief causes of the difference in wages in different occupations? (Carver, page 268.)

3. Upon what factors does the efficiency of the laborer depend? (Thompson, page 303.)

4. What is the functional theory of wages? (Carver, pages 261—262.)

5. Have wages increased or decreased since 1850? (King, page 173.)

6. What is the relation of risk to interest? (Thompson, pages 351— 353.)

7. What is meant by the term "unearned increment"? (Thompson, pages 335—337.)

8. Define profits. (King, pages 155—156.)

9. Have profits increased since 1880? (King, page 177.)

10. Name some of the characteristics of the business man. (Thompson, pages 357—358.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Select for study some common commodity which passes through all or most of the stages of manufacture in your community, as, for example, a hammer, a shoe, flour or canned goods. Make a list of the various individuals who are connected with the production of this commodity. By whom are these various individuals paid? Does it appear to you that their services bear a close relation to the sums which they receive? Explain fully.

2. Select for study a plot of land which the owner has leased to a tenant in your community. Why is the tenant willing to pay rent for this plot? Why is he able to pay rent? Do you believe that under the existing circumstances he would be able to pay an increase of 10% in the rent? An increase of 50%? Explain.

3. Select for study an enterprise in your community in which the employer utilizes various groups of workmen. Classify the workmen on the basis of the amount of wages received. Why does the employer pay some high wages and others low wages?

4. Select for study a successful entrepreneur in your community. Outline, either as the result of hearsay, or personal interviews with him, the

qualities to which he apparently owes his success.

5. Make a study of an enterprise in your community which has either recently failed, or which is not now in a thriving condition. Attempt to discover the reasons for the failure to progress.

II

6. The law of variable proportions. (Carver, *Elementary Economics*, chapter xxix.)

7. The nature of income. (King, *Wealth and Income of the People of the United States*, chapter v.)

8. Relation of public education to income. (Thompson, *Elementary Economics*, pages 299-303.)

9. Reasons for the scarcity of capital. (Carver, *Elementary Economics*, chapter xxxvi.)

10. The productivity of capital. (Taussig, *Principles of Economics*, vol. ii, chapter xxxviii.)

11. Historical changes in the rate of interest. (Bullock, *Selected Readings in Economics*, pages 563-568.)

12. The rent of land. (Carver, *Elementary Economics*, chapter xxxiii.)

13. Causes of the scarcity of labor. (Carver, *Elementary Economics*, pages 270-271.)

14. Historical changes in the rate of wages. (Bullock, *Selected Readings in Economics*, pages 533-543.)

15. The nature of profits. (Carver, *Elementary Economics*, chapter xxxvi.)

16. Relation of profits to risk. (Taussig, *Principles of Economics*, vol. ii, chapter xlix, section 1.)

17. Qualities of a successful entrepreneur. (Taussig, *Principles of Economics*, vol. ii, chapter xlix, sections 3 and 4.)

18. Motives of business activity. (Taussig, *Principles of Economics*, vol. ii, chapter xlix, section 6.)

19. The government's share in distribution. (Carver, *Elementary Economics*, chapter xxxvii.)

CHAPTER X

BASES OF THE CAPITALISTIC SYSTEM

92. THE "CAPITALISTIC SYSTEM."—Modern industry is sometimes said to be headless, because

the numerous individuals engaged in it are not systematically controlled or directed by a single agency. It is often said to be planless, since laborers, employers, and other industrial agents concentrate upon their individual desires and needs, rather than upon the needs of the community or nation as a whole.

And yet there is in modern industry a certain regularity of outline, and a general tendency to follow the economic laws discussed in the preceding three chapters. This circumstance prevents us from concluding that our industrial life is entirely a haphazard affair. It may, indeed, be said that we have an industrial system. Because of the great importance in it of capital, this system is commonly known as the "capitalistic system." The underlying principles of this system have already been mentioned or implied; nevertheless it will be to our interest in this chapter to develop and organize these principles so as to indicate just how they constitute the bases of capitalism.

93. ATTITUDE OF GOVERNMENT TOWARD INDUSTRY.—"It is the duty of the government," Gladstone once said, "to make it easy for the people to do right, and difficult for them to do wrong." According to the theory of the capitalistic system, that is "right" which renders the individual and the community stronger, happier, and more prosperous in useful pursuits, while that is "wrong" which weakens or demoralizes the citizen and the

community. The chief economic function of government is thus to discourage men from harmful and destructive acts, and to encourage them in activities which are helpful and productive.

Professor Carver points out that the method by which animals get their living is either destructive, deceptive, persuasive, or productive. Any one of these four methods may at least temporarily increase the well-being of the individual, but only the productive method is certain to benefit the community as well. A good government will therefore seek to prevent people from advancing their individual interests by killing, robbing, or deceiving their fellows. This suppression of violence and fraud leaves open to individuals only the productive method of getting a living, so that they cannot benefit themselves without at the same time adding to the prosperity of the community. From the standpoint of capitalism, thus, a good government maintains an attitude toward industry which is primarily negative: such a government hampers the economic activities of individuals very little or not at all, so long as they do not practice harmful methods of getting a living.

94. PRIVATE PROPERTY.—Most men are self-centered. In even a highly developed society, men ordinarily will not work consistently except in their own behalf, or in the behalf of a very few people for whom they care intensely. This instinct of self-interest is the kernel of industrial progress, but it can

result in material prosperity only when government suppresses violence and fraud. The lowest savages are undoubtedly self-centered, but so long as they must rely upon brute force to retain their possessions, there is little inducement to acquire wealth. It is only when law suppresses robbery and fraud, and otherwise protects the individual in his property rights, that the acquisitive instinct will cause him to exert himself in productive ways. Because it satisfies the individual's desire to secure the good things of life, the institution of private property is the greatest known spur to economic activity, It is only in those countries where individuals are protected in their property rights that we find an active, progressive, and prosperous people.

95. ENFORCEMENT OF CONTRACTS.—We have already seen that among the members of a modern industrial society there is a high degree of interdependence, corresponding, in an important sense, to the interdependence between the parts of a machine. As we have seen, the typical individual in industry is a specialist, concentrating upon one particular kind of work, and depending upon his fellows to supply him with goods and services which he cannot supply for himself. Now, such a condition of interdependence could never have arisen were it not for the fact that government fosters the spirit of confidence among individuals. Many persons can be trusted to fulfill the agreements or contracts which

they make with their fellows, but many cannot. A prime function of government, therefore, is to enforce contracts entered into voluntarily and in legal form. This is clearly essential to our material prosperity, for if men are to rely upon the word of those who sell them goods or services, or to whom they sell goods or services, all of the individuals concerned must be dependable.

96. COMPETITION.—A good government will shunt men into productive activities, and it will insist upon the fulfilment of lawful contracts. Subject to these two limitations, individuals are relatively free to seek their own well-being. But an earmark of economic goods is scarcity, that is, there are at a given time and place fewer of them than are desired. Men must therefore compete with one another for goods and services. The lower animals compete for food with tooth and claw; among civilized men government tries to raise competition to an ethical plane by tending to suppress all but the productive methods of competition.

Where competition is so restricted and safeguarded, advocates of capitalism assert that the results are overwhelmingly good. Where there is free competition, *i.e.* free competition in productive enterprise, employers commonly pay their laborers as high a wage as they feel is justified under the particular circumstances, lest their workmen abandon them for rival employers. Under similar conditions, laborers will generally endeavor to

render the best possible service, so that the employer will prefer them to other laborers. This assumes, of course, that competition is effective, *i.e.,* that there is neither an oversupply or an undersupply of either employers or employees.

Where, again, there is free competition in productive enterprise, the price of commodities produced by a given concern cannot rise too far, for consumers will either buy those commodities of rival producers, or will use substitutes. If, on the other hand, prices drop so low that producers make little or no profits, they will withdraw from business.

Free and effective competition thus means rivalry in satisfying wants, that rivalry being engaged in for the sake of private gain. Competition tends to harmonize the interests of the individual with the interests of the community, by making the success of the individual depend primarily upon what he accomplishes for his fellows.

97. VALUE UNDER CONDITIONS OF FREE COMPETITION.—In a competitive market, as we have seen, value depends upon scarcity and utility. No one will ordinarily pay for a commodity unless it will satisfy his wants, i.e. unless it has utility. But even though a commodity has utility, no one will ordinarily pay for it unless it is so scarce that he cannot get as much of it as he wishes without paying for it. Air, for example, has great utility, but it is so abundant that it can ordinarily be secured without

payment. Hence it has no value.

Price, the measure of value in terms of money, will be determined, under conditions of free competition, by the interaction of utility and scarcity. Diamonds are high in price because they satisfy intense desires and are scarce; bread is cheap because while possessing great utility, it is relatively abundant. Skilled labor receives high wages because in addition to its utility it is relatively scarce; unskilled labor often receives low wages because while possessing utility it is relatively abundant. This principle is of the very greatest consequence, and in considering the programs of industrial reform we shall come back to it again.

98. FREEDOM.—A large measure of personal liberty is a characteristic of the capitalistic system, To an increasing extent, government is restricting economic activity to productive channels, but with this qualification, the individual is comparatively free to do as he likes. The laborer is free to move about in search of work, free to seek a better job, free to accept or to reject work offered him. He may abandon his job when he chooses, and remain idle as long as he chooses, or is able. He is repressed by no paternalistic government, embarrassed by no feudal system. He is part and parcel of the competitive system, guiding his own actions and accepting responsibility for them. To a large extent, the employer is similarly free to hire or discharge men as he sees fit, to initiate a new business, or to withdraw

from business altogether. In every case the individual is free, so far as legal restrictions are concerned, to use his money as he chooses. Whether it is hoarded, invested, or wasted is largely a matter for him to determine.

99. BENEFITS OF THE CAPITALISTIC SYSTEM.—The material prosperity of the modern world has been attained under the capitalistic system of industry. The system was not invented, but has developed and spread from small beginnings because the experience of centuries has proved it to be the best known system which is applicable to human industry. The starting point of all material prosperity has been the gradual development of government which suppresses violence and fraud, which enforces contracts, and which makes possible the rise of the institution of private property. The inception of the Industrial Revolution, and its spread beyond England to Europe, America, and, later, to Asia, were possible only because these bases of capitalism were already laid. To a large extent, thus, the steam engine, the railroad, the steamship, the electric light, and countless other inventions which have helped to revolutionize the world we live in, may be traced directly or indirectly to individual freedom and to the protection of property rights. In so far as science, art, and literature depend, to a considerable degree, upon material prosperity, we may go so far as to say that capitalism is the most important single basis of modern civilization.

100. DEFECTS OF THE CAPITALISTIC SYSTEM.—But capitalism is not without its defects. The lack of centralized control in industry allows of planless production. [Footnote: During our participation in the World War, it is largely true that much of the productive energy of the country was organized and directed as a unit. This was a temporary expedient, however, resorted to for the purpose of winning the war.] Entrepreneurs frequently produce without adequate knowledge of demand, and without knowledge of rival production. When business is booming and profits are high, it often happens that so many individuals go into business that eventually there is over-production, i.e. there are more goods at a particular time than can be sold at a profit. Crises, unemployment, and "hard times" are often the direct result of this over-production. Malnutrition, disease, vice, crime, and pauperism are often its indirect results.

In still other ways the capitalistic system allows of an uneconomical expenditure of labor and capital. There is no adequate method of directing labor and capital toward the production of durable and helpful commodities, and away from the production of luxuries and such harmful commodities as have not been made illegal. Under competitive conditions, too, a number of shops or stores may exist in a community that might easily be served by a single firm. This is wasteful duplication, just as advertising is a waste when it goes beyond the point of

informing the public as to whereabouts and character of commodities. Still another source of waste is traceable to an excessive number of middlemen, each of whom adds to the price of the product as it passes through his hands.

101. THE INEQUALITY OF WEALTH.—In all of the great industrial countries of the world, including the United States, the existing distribution of wealth is roughly in the form of a pyramid, i.e., at the top or apex of the pyramid there is a relatively small number of persons who enjoy large incomes, while at the base there is a large number with relatively small incomes. This inequality is explained by Professor Taussig on two grounds: First, it is likely that some individuals originally secured an economic advantage over their fellows because of inborn superiority of some kind. Second, the economic advantage thus secured has been maintained from generation to generation by inheritance. Where, for example, wealth is invested so that the principal remains intact while a large annual income is thrown off as interest, the heirs may live in affluence, regardless of ability or desert. Thus we have a leisure class emerging as the result of inborn differences between men, supplemented by the accumulation of wealth and its transmission by inheritance.

102. THE QUESTION OF INDUSTRIAL REFORM.—It goes without saying that great inequalities in the distribution of wealth are undesirable. If any improvement is humanly possible, we ought not to

rest content so long as millions of our citizens have too few of the good things of life, while others have much more than is necessary for comfort and happiness. The test of an economic system is whether or not it provides a good world to live in, and so long as large numbers of individuals have fewer necessities and comforts than it is possible to give them, our economic system must be considered defective. The people as a group are both the means and the end of progress. Democracy cannot rest upon any other basis than the greatest good to the greatest number.

103. APPROACHING THE PROBLEM.—In approaching the problem of industrial reform it is necessary to cultivate a fair and sane attitude. We must attack all of the problems of American democracy, certainly. But in so far as some of these problems involve the integrity of the capitalistic system, we should distinguish between ills which are clearly traceable to that system, and defects which obviously would exist under any industrial system. Capitalism cannot be discredited, for example, by pointing out that crime exists in all capitalistic countries. Though capitalism may accentuate some types of crime, our knowledge of human nature leads us to suspect that a considerable amount of crime would exist under any known system of industry. Again, criticism should be constructive; it is easy to point out the defects of an institution, but it is quite another thing to provide a good substitute for that

institution.

The problem before us is a double one: First, can we remedy the defects of the capitalistic system? And, if so, by what method shall we proceed? Second, if the defects of capitalism cannot be remedied, what industrial system shall be substituted for capitalism? It is not a question of whether or not capitalism is faulty, but of whether it is more faulty than the system that would be substituted for it. The virtues of capitalism, most authorities believe, clearly outweigh its defects, and though some other system may eventually prove to have as great virtues with fewer defects, the burden of proof is upon those who advocate other systems than capitalism. Until the advantage is clearly shown to be on the side of a rival system, it will be wise to retain capitalism.

QUESTIONS ON THE TEXT

1. Is it correct to speak of a "capitalistic system"?

2. What is the chief economic function of government?

3. Name the four methods of getting a living. Which will be encouraged by a good government?

4. To what extent is the attitude of a good government toward industry a negative one?

5. What is the relation of government to the

institution of private property?

6. What is the importance of laws requiring the enforcement of contracts?

7. Why is there competition?

8. How does competition tend to harmonize the interests of the individual with those of the community?

9. Why are diamonds high in price? Why is bread low in price?

10. What is the relation of capitalism to economic freedom?

11. What can be said as to the benefits of capitalism?

12. What are the chief defects of capitalism?

13. Outline the existing distribution of wealth.

14. On what two grounds does Professor Taussig account for this situation?

15. What facts should be borne in mind in attacking the problem of industrial reform?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter x.

Or all of the following:

2. Ely, *Outlines of Economics*, chapter ii.

3. Fetter, *Modern Economic Problems*, chapter ii.

4. Hobson, *Evolution of Modern Capitalism*, chapter i.

5. Seligman, *Principles of Economics*, chapter ix.

QUESTIONS ON THE REQUIRED READINGS

1. Define capitalism. (Hobson, page 1.)

2. How has the development of mines affected the growth of capitalism? (Hobson, page 6.)

3. What is the relation of colonization to capitalism? (Hobson, pages 10-12.)

4. What is the relation of capitalism to a large labor supply? (Hobson, pages 13-14.)

5. Define private property. (Ely, page 21.)

6. Discuss the theories of private property. (Fetter, pages 18-20.)

7. What were the earliest forms of private property? (Seligman, page 126.)

8. What was the effect of the domestication of animals upon the institution of private property?

(Seligman, pages 126-127.)

9. What are the limitations of private property? (Fetter, pages 20- 21.)

10. What is meant by the term "vested interests"? (Ely, pages 25-26.)

11. What is "fair" competition? (Ely, pages 29-30.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Suppose an unscrupulous individual fraudulently secured possession of property belonging to you. What steps would you take to secure justice?

2. What penalties are inflicted in your state for highway robbery, embezzlement, theft, forgery, and similar crimes against property?

3. Suppose that you are a florist and that you have ordered a large quantity of flowers from a greenhouse keeper for your Decoration Day trade. Assume that you could not sell the flowers at a profit if they arrived later than Decoration Day. Assume, also, that you have reason to suspect that the greenhouse keeper will not be prompt in delivering the flowers ordered. Draw up a contract (to be signed by him) which would protect you against his

tendency to carelessness.

4. Select for study an isolated rural district, a small town, or a section of a suburb in which the community secures its supply of a given commodity from a single shop or store. Compare the price of the commodity, and its quality, with the price and quality of a similar commodity in stores located in communities served by several competing stores. What do you conclude as to the value of competition?

5. Make a study of bill-board advertising, listing the number of advertisements inviting purchase of competing commodities. Write to a bill-board advertising company for advertising rates, and draw your conclusions as to (*a*) the cost of advertising, and (*b*) the waste involved in advertising competing commodities.

Make a similar study of magazine advertising, writing to the advertising manager of the magazine selected for study, in order to secure advertising rates.

II

6. Relation of good government to economic prosperity. (Carver, *Elementary Economics*, chapter vii.)

7. Competition. (Seligman, *Principles of Economics*,

chapter x.)

8. Methods of struggling for existence. (Carver, *Elementary Economics*, page 40.)

9. The development of economic freedom. (Seligman, *Principles of Economics*, chapter xi.)

10. Distribution of wealth in the United States. (Taussig, *Principles of Economics*, vol. ii, chapter liv; King, *Wealth and Income of the People of the United States*, chapter ix.)

11. Place of machinery in the capitalistic system. (Hobson, *Evolution of Modern Capitalism*, pages 27-29.)

12. The impersonality of modern life. (*Lessons in National and Community Life*, Series B, pages 97-104.)

13. The extent of poverty in modern life. (Burch and Patterson, *American Social Problems*, chapter xvi.)

B. PROGRAMS OF INDUSTRIAL REFORM

CHAPTER XI

SINGLE TAX

104. DEFINITIONS.—The words "single tax" refer to a policy under which all public revenue is to be raised by a single tax on land value. All other taxes are to be abolished. By land value is meant the value of the land itself, irrespective of all improvements, such as ditches, drains, and buildings. Everything done on the land to increase its value would be counted as an improvement, and would thus be exempt from taxation. This would leave only location value and fertility to be taxed. By location value is meant that value which is due to the situation of the land. For example, land in a wilderness has little or no location value, but if, later, schools, stores, railroads, and other elements of community life develop in that region, the land may take on great value because of its location in the community. The

fertility value of land is that value which is due to natural endowment in the way of moisture, climate, and soil elements.

105. HENRY GEORGE AND HIS WORK.—The doctrine of single tax is closely associated with the name of Henry George, an American reformer who died in 1897. His theory was best developed in his book, *Progress and Poverty*, published in 1879. In this book George points out that in spite of the progress of the world, poverty persists. This is due chiefly, he contends, to the fact that land-owners take advantage of the scarcity of good land to exact unduly high prices for its use. According to George, this monopoly of the gifts of Nature allows landowners to profit from the increase in the community's productiveness, but keeps down the wages of the landless laborers. "Thus all the advantages gained by the march of progress", George writes, "go to the land-owner, and wages do not increase."

George proposed to use the single tax as an engine of social reform, that is to say, to apply it with the primary view of leveling the inequalities of wealth. Value due to improvements was to be exempt from taxation, so that land-owners might not be discouraged from making improvements on their land. On the other hand, it was proposed that the single tax take all of the income due to location and fertility. This, according to George, would "render it impossible for any man to exact from others a price

for the privilege of using those bounties of Nature to which all men have an equal right."

106. RESULTS CLAIMED FOR THE SINGLE TAX.—George claimed that the application of the single tax was highly desirable. If, through the medium of this tax, the government were to take from the land-owners all the location and fertility value of their land, two great benefits were to result. First, rich landlords would be deprived of much unearned wealth. Second, the wealth so secured, called the unearned increment, could be used to make life easier for the poor. Ultimately, George went so far as to claim, the single tax would "raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crimes, elevate morals and taste and intelligence, purify government, and carry civilization to yet nobler heights." The steps by which George arrived at this gratifying conclusion are obscure, and practically every modern economist agrees that too much has been claimed for the theory. Nevertheless, there is much to be said on both sides of this interesting question.

107. ARGUMENTS FOR THE SINGLE TAX.—Single taxers claim that it is just to take from land-owners that land value which is not due to their individual efforts. Fertility, on the one hand, is due originally to the bounty of Nature, and as such belongs to all men alike, rather than to particular individuals. Location

value, on the other hand, is due to community growth, and should therefore be taken for the benefit of the community at large.

A very strong argument in favor of the single tax is that land cannot be hidden from the tax assessor, as can stocks, bonds, jewels, and other forms of personal property. A single tax on land would, therefore, be relatively easy to apply.

A tax on the location and fertility value of land would not discourage industry. Location value is largely or entirely due to community growth, rather than to the efforts of the individual land-owner. Fertility, of course, is largely a natural endowment, and as such cannot be destroyed by a tax. The land would continue to have all of its location value, and probably much of its fertility value, whether or not the owner were taxed.

Another argument is that a single tax on land would eliminate taxes on live stock, buildings, and all other forms of property except land, and that this would encourage the development of the forms of property so exempted. This would stimulate business.

It has also been said that the single tax would force into productive use land which is now being held for speculative purposes. It is claimed that many city tracts remain idle because the owners are holding them in the hope of getting a higher price in the future. According to the single taxer, a heavy tax

would offset this hope of gain, and would force speculators either to put the land to a productive use, or to sell it to someone who would so employ it.

A last important argument in favor of the single tax is that it might force into productive work certain capable individuals who are now supported in idleness by land rents. Professor Carver has pointed out that if the single tax deprived such persons of their incomes, they would be forced to go to work, and thus the community would gain by an increase in the number of its productive workers.

108. ARGUMENTS AGAINST THE SINGLE TAX.—The most important objection to the single tax is that the confiscation of land, or, what amounts to the same thing, the confiscation of the income which land yields, is unjust. "Pieces of land," Professor Seager points out, "have changed hands on the average dozens of times in the United States, and present owners have in most cases acquired them not as free gifts of Nature, nor as grants from the government, but by paying for them, just as they have had to pay for other species of property." Where individuals have acquired land in good faith, and under the protection of a government which guarantees the institution of private property, the confiscation of land value would be demoralizing to the community and unfair to its land-owning citizens.

Another difficulty lies in the ease with which value

due to permanent improvements is confused with value due to location or fertility. Where money has been expended in draining land, removing stones or applying fertilizer, it is hard to tell, after a few years, what part of the value of the land is due to improvements. The possibility of this confusion would cause some land-owners to neglect to improve their land, or might even cause them to neglect to take steps to retain the original fertility. Thus the single tax might result in the deterioration of land values.

It is also objected that the single tax would provide an inelastic taxation system. This means that it would tend to bring in an equal amount of revenue each year, whereas the revenue needs of government vary from year to year. A good tax system will accommodate itself to the varying needs of the government, always meeting the expenses of government, but at the same time taking as little as possible from the people. [Footnote: Some opponents of the single tax declare that the heaviest possible tax on land would yield only a fraction of the revenue needed to finance the government. Single taxers, however, maintain that the tax would yield more than enough revenue to meet public expenditures. The merits of this argument are uncertain.]

It is doubtful whether the single tax would force into productive use land now being held by speculators. Even though a heavy tax were laid upon such land, it would not be utilized unless there were

an immediate use to which it could profitably be put.

A last important argument against the single tax is that there is no good reason for removing the tax burden from all except land-owners. Land is only one form of wealth, and it is unfair not to tax individuals who hold property in some other form. Some land value is indeed unearned, but there are other forms of unearned wealth, as, for example, monopoly gains and inherited property. Taxes ought to be levied upon these forms of unearned wealth, as well as upon the unearned income from land. It is desirable, too, to levy at least a light tax upon the propertyless classes, in order to encourage them to feel an interest in, and a sense of responsibility for, the conduct of their government.

109. SERVICE RENDERED BY THE SINGLE TAX AGITATION.—Economists are unanimous in agreeing that the single tax, as expounded by Henry George, is too drastic and special a reform to find wide favor. Nevertheless, the single taxers have performed a valuable service by emphasizing the fact that in many cases the income from land is largely or entirely unearned. It would be manifestly unjust to dispossess present-day land-owners who have acquired land in good faith; on the other hand, most economists agree that we ought to reform our tax system so as to take for the community a larger share of the future unearned increment of land values. As Professor Taussig has pointed out, no one has a vested right in the indefinite future. The taking of

this future unearned increment, it is hardly necessary to add, would not constitute a single tax, but rather a heavy land tax. Many other taxes would continue to be levied. [Footnote: The general problem of taxation is discussed in Chapter XXXIL]

QUESTIONS ON THE TEXT

1. Define the single tax.

2. What is location value?

3. Define fertility value.

4. Who was Henry George?

5. What benefits, according to George, were to result from an application of the single tax?

6. Give the chief arguments in favor of the single tax.

7. Give the chief objections to the doctrine.

8. What service has been rendered by the single tax agitation?

9. What is the attitude of most economists toward the future unearned increment of land?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*,

chapter xi.

Or all of the following:

2. Carver, *Elementary Economics*, chapter xlv.

3. George, *Progress and Poverty*, book ix.

4. *International Encyclopedia*, vol. 21, article on "Single Tax."

QUESTIONS ON THE REQUIRED READINGS

1. Who were the Physiocrats? (Carver, page 372.)

2. What is the "ethical argument" in favor of the single tax? (*International Encyclopedia*, vol. 21, page 136.)

3. What is the "expediency argument" in favor of the single tax? (*International Encyclopedia*, vol. 21, page 136.)

4. What is meant by "mining" the soil, and what is the relation of this practice to the single tax? (Carver, pages 375-376.)

5. What, according to George, would be the effect of the single tax upon production? (George, book ix, chapter i.)

6. What, according to George, would be the effect of the single tax upon the distribution of wealth?

(George, book ix, chapter ii.)

7. What are the present aims of the single tax movement? (*International Encyclopedia*, vol. 21, page 137.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Select for study a plot of farm or garden land in your locality.

(a) What is the market value of the land?

(b) Is it more or less valuable than similar plots in the same neighborhood? Why?

(c) To what extent is the value of the plot selected for study due to natural fertility?

(d) To what extent is the value due to location?

(e) To what extent is the value due to permanent improvements, such as drains, ditches, hedges, fences, or the use of fertilizer to retain or increase the natural fertility?

(f) If you were the owner of this plot, to what extent, if to any, would your future use of this land be affected by the adoption of the single tax program?

2. Select for study a plot of ground in your locality which has been idle for a number of years.

(a) Why has this ground been idle so long?

(b) Do you believe that this land is being held for speculative purposes?

(c) If so, suppose that a very heavy tax stimulated the owner to put the land to some use. Do you know of a productive use to which it could be put?

II

3. The life of Henry George. (Consult an encyclopedia.)

4. The economic background of Henry George's doctrine. (Young, *The Single Tax Movement in the United States*, chapter ii.)

5. Is land-ownership a monopoly? (Seligman, *Principles of Economics*, page 391.)

6. Tactics of the single tax movement. (Young, *The Single Tax Movement in the United States*, chapter xii.)

7. Relation of the single tax to socialism. (Young, *The Single Tax Movement in the United States*, pages 307-312.)

CHAPTER XII

PROFIT SHARING AND COÍPERATION

A. PROFIT SHARING

110. THE NATURE OF PROFIT SHARING.—The essence of profit sharing is that the workmen in a given enterprise receive, in addition to their regular wages, a share in the profits which would ordinarily go entirely to the entrepreneur. The share going to the employees varies with the establishment, but generally from one quarter to three quarters of the profits are divided among them.

Distribution is by various methods. The workmen may receive their share in cash at the end of the year. Sometimes the money is placed in a provident fund for the workmen as a body; in other cases it is deposited in savings banks to the account of the individual workmen. In still other cases the workman's share is invested in the business for him, the workman thereafter receiving dividends on this invested capital.

In every case, however, the division of profits among the individual laborers is on the basis of the wages received, that is to say, the higher the regular wage received by a workman, the larger will be his share of the profits set aside for distribution.

Generally, too, only workmen who are steadily employed are allowed to share in the distribution of profits.

111. LIMITS OF PROFIT SHARING.—Profit sharing was once considered a remedy for many of our industrial troubles, but it is now generally conceded that the plan is decidedly limited in scope. Profit sharing increases the income of the workmen involved, but for this very reason it is often bitterly opposed by the trade unions. The unions fear, of course, that the plan will make the workmen interested chiefly in the employees of their particular establishment, rather than in the workmen in the trade as a whole. The trade unions also maintain that profit sharing is often administered in a patronizing manner, which is offensive to the self-respect of the workmen.

To a large extent, the spread of profit sharing depends upon the development of altruism among employers. But unfortunately altruistic employers are rare, and the majority of entrepreneurs will not adopt the profit-sharing plan unless it promises to result in some distinct advantage to themselves. This attitude explains, in part, the failure of many profit-sharing experiments. Employers have sometimes tried out profit sharing in the hope that it would prevent strikes and other labor troubles. In some cases this expectation has been realized; in many other cases serious labor troubles have continued. This continuance of labor troubles has rendered

profit sharing less attractive to certain types of employers.

In certain cases employers have experimented with profit sharing in the hope that it would stimulate efficiency and economy on the part of the workmen. Sometimes the immediate effect of the adoption of the plan has been to make the workmen more efficient and more interested in their tasks, but after the novelty of the scheme has worn off they have generally fallen back into their former pace. In justice to the workmen, it should be noted here that in most enterprises the conditions of the market and the employer's managerial ability have more influence upon profits than have the personal efforts of individual workmen. Where workmen realize this, they tend to lose faith in their ability to influence the share accruing to them under the profit-sharing plan.

A last important reason why profit sharing is limited in scope is that in many hazardous enterprises, such as mining, agriculture, fishing, or building construction, the refusal and inability of the workmen to share in possible losses prevent the adoption of the plan. A mining corporation, for example, may make large profits one year, and lose heavily the second year. Profit sharing is here inadvisable, if not impossible. The distribution among the workmen of a large share of the profits accruing at the end of the first year might so deplete the financial reserves of the entrepreneur that he would be unable to meet the losses of the second

year.

B. COÍPERATION

112. RELATION OF PROFIT SHARING TO COÍPERATION.—Profit sharing permits the workmen to secure more than a regular wage from a given enterprise, without, however, giving them any control over the management of the business. Co÷peration goes a step farther, and attempts to dispense with either a number of middlemen or with the managing employer, or with both middlemen and employer. In the case of a profit-sharing scheme in which the share of the profits accruing to the workmen is invested in the business for them, ultimate control of the enterprise may come into the hands of the workmen through profit sharing. In such a case the plant might be conducted co÷peratively. In practically every instance, however, co÷peration does not grow out of profit sharing, but arises independently.

113. ESSENCE OF COÍPERATION.—The essence of co÷peration is that a group of individuals undertake to perform for themselves those functions which are commonly carried on by the business man. Co÷peratives are often workmen, though not necessarily so.

Under the co÷perative plan, all of the profits of the enterprise are divided among the co÷perators; on the other hand, the risks of the business must also

be borne by them. Management of the enterprise is conducted partly by officers or committees serving without pay, and partly by paid agents. The general policies of the business are settled by the co÷perators acting as a body.

Co÷peration seeks to exchange the centralized control of the business man for the diffuse control of a group of co÷perators. This arrangement, its advocates hope, will permit wealth and power to be distributed among more and more people, and especially among those classes that possess relatively little property. Let us inquire briefly into the four types of co÷peration.

114. CONSUMERS' COÍPERATION.—Consumers' co÷peration, also known as distributive co÷peration or co÷peration in retail trade, is the most common form of co÷peration. It is also probably the most successful form.

In this form of co÷peration, a number of individuals contribute their savings to a common fund, buy certain desired commodities at wholesale prices, and distribute these among themselves. Generally, the co÷perative store sells to its members at the regular retail price, but at stated intervals throughout the year the profits of the business are distributed among the co÷peratives in proportion to the amount of their individual purchases. Thus the difference between the wholesale and the retail price —minus the expense of conducting the store—goes

to the co÷perators, instead of to a store keeper or other middleman.

One of the best examples of consumers' co÷peration is the Rochdale Society of Equitable Pioneers, established in England in 1844. This type of co÷peration has also been remarkably successful in Germany, Belgium, and other continental countries. The idea was taken up in the United States about the middle of the nineteenth century, and at the present time there are in this country about 2000 co÷perative stores, many of them doing a thriving business. These stores are located chiefly in New England, the North Central States, and the West, few being found in the South.

115. COÍPERATION IN CREDIT.—Credit co÷peration may take any one of a number of forms. In one of the best known forms, a group of persons form a credit society by contributing a proportion of their personal savings to a common fund. On the strength of this capital, and of their own individual liability, they borrow more capital. The total amounts thus got together are then loaned to the members of the society at a specified rate of interest. This rate of interest is higher than that at which the group had borrowed money from outside sources; nevertheless, it is lower than the rate members would have to pay if they individually sought loans at a bank. This is the aim of co÷peration in credit: to enable persons of small means to secure loans without paying the high rates which as individuals

they would ordinarily have to meet, if, indeed, they as individuals could secure loans under any conditions.

Credit co÷peration has been most successful in Germany, particularly among artisans and small farmers. It has also attained considerable success among the small tradesmen and artisans of Italy. In the United States co÷peration in credit is less highly developed, but recently its influence has been slowly increasing. In many cases it supplies the principle underlying building and loan associations in this country.

116. COÍPERATION IN MARKETING.—The co÷perative principle has also been applied to the marketing of agricultural products. In Denmark, for example, it has been found that farmers can market their dairy products co÷peratively, and thus save for themselves much of the profit that would otherwise go to commission agents and other middlemen. A similar saving has been effected in Holland, Belgium, and, to some extent, in France. Of recent years, co÷peration in marketing has become important in the United States, finding particular favor among the farmers of the Middle and Far West. At the present time there are in this country more than two thousand co÷perative cheese factories, and more than three thousand co÷perative creameries. There are also more than a thousand societies for the co÷perative marketing of fruit, as well as numerous live-stock selling agencies.

117. COÍPERATION IN PRODUCTION.—The three forms of co÷peration which we have been considering seek to eliminate unnecessary middlemen from industry. In producers' co÷peration, on the other hand, the attempt is made to get rid of the entrepreneur, or managing employer. A group of workmen get together, subscribe or borrow the required capital, purchase tools, materials, and plant, and set up as producers. They seek markets for their product, direct the enterprise either as a group or through salaried agents, share the profits among themselves, and accept the risks of the enterprise.

Co÷peration in production has been tried repeatedly in the various countries of Europe, but without success. True producers' co÷perative associations have also met with almost universal failure in the United States, though experiments have been made in a variety of industries, and in nearly every part of the country. Formerly the Minneapolis Co÷pers were a co÷perative group which seemed destined to attain a considerable success in production, but this group has now abandoned the co÷perative principle. The co÷perative marketing of fruit, cheese, and other agricultural products is, of course, not true producers' co÷peration, but rather the co÷perative marketing of commodities produced by individual enterprisers.

118. BACKWARDNESS OF COÍPERATION IN THE UNITED STATES.—In all forms of co÷peration,

progress has been much slower in this country than in Europe. There are several reasons for this. For one thing, American workmen move about to a greater extent than do European workmen, whereas co÷peration succeeds best where the co÷perators have a fixed residence and develop a strong sense of group solidarity. The fact that our population is made up of diverse racial types likewise checks the growth of the feeling of solidarity.

An important reason for the backwardness of the co÷perative movement in this country is that American workmen "make, rather than save money," whereas co÷peration requires thrift, and a willingness to practice small economies. Again, the efficiency and progressiveness of our industrial system renders co÷perative ventures less necessary in this country than in some parts of Europe. It is particularly true that retail stores in the United States are more efficient than similar shops in England and on the Continent.

Altogether, the most successful co÷perators in this country are not native-born Americans, but groups of Finns, Russians, Slovaks, and other peoples of immediately foreign derivation. It is among these groups that the thrift and group solidarity demanded by co÷peration are best found.

119. LIMITS OF COÍPERATION.—Consumers' co÷peration, co÷peration in credit, and co÷peration in marketing all seek to improve the

capitalistic system by eliminating some of the unnecessary middlemen from our industrial life. In so far as this is true, these forms of co÷peration are desirable developments, and deserve to succeed. Though the movement is limited by the considerations set forth in the preceding section, it is to be hoped that these three forms of co÷peration will in the future show a considerable development in this country.

Producers' co÷peration is a different affair. Rather than attempting to decrease the number of unnecessary middlemen, it attempts to supersede the entrepreneur or managing employer where he is most needed. For this reason producers' co÷peration will probably continue a failure. To run a modern business of any size at all requires a degree of intelligence, imagination, judgment, courage, and administrative ability which is altogether too rare to be found among casual groups of laborers. Varied experience, high ability, the determination to accept the risks of the enterprise, and a consistent singleness of purpose are necessary in modern production. Even though co÷perators are able to secure an amount of capital sufficient to initiate production, they rarely have the requisite ability or experience; too often they object to accepting the risks of the enterprise; practically never can they administer the business with that unity of control which characterizes the most successful business enterprises.

120. BENEFITS OF COÍPERATION.—While no

longer considered a far- reaching industrial reform, the co÷perative movement brings with it many benefits. Co÷peration in retail trade, credit, and marketing cuts down the waste between consumer and producer, and thus helps substantially to reduce the cost of living. Co÷peration in production, though it fails to reach its chief objective, has the virtue of demonstrating to groups of workmen that the entrepreneur is of far more value in our industrial life than they might otherwise have realized. Aside from these advantages, co÷peration in any form is an important educative force. It fosters the spirit of solidarity and mutual helpfulness among members of a group or community. It teaches thrift. It trains the co÷perating individuals to exercise foresight and self-control. Altogether the training which it affords is productive of good citizenship.

QUESTIONS ON THE TEXT

1. Explain clearly the nature of profit sharing.

2. What is the attitude of the trade unions toward profit sharing?

3. What is the attitude of the employer toward profit sharing?

4. Does profit sharing result in increased efficiency on the part of the workmen? Explain.

5. What is the relation of profit sharing to

co÷peration?

6. What are the essential features of co÷peration?

7. Explain the principle involved in consumers' co÷peration.

8. Where has this form of co÷peration been most successful?

9. What are the essential features of credit co÷peration?

10. Where is credit co÷peration most successful?

11. What is the aim of co÷peration in marketing?

12. In what way does producers' co÷peration differ from the other forms of co÷peration?

13. To what extent is producers' co÷peration a success?

14. Why is co÷peration backward in this country?

15. Outline the chief benefits of co÷peration.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xii.

Or all of the following:

2. Fay, *Co÷peration at Home and Abroad*, part iv, chapter v.

3. Harris, *Co÷peration, the Hope of the Consumer*, chapter vi.

4. *International Encyclopedia*, vol. 19, article on "Profit Sharing" and vol. 6, article on "Co÷peration."

5. Taussig, *Principles of Economics*, vol. ii, chapter lxix.

QUESTIONS ON THE REQUIRED READINGS

1. What is the principle upon which profit sharing is based? (*International Encyclopedia*, vol. 19, page 244.)

2. Discuss the origin of profit sharing in the United States. (_International Encyclopedia, vol. 19, page 244.)

3. Give some examples of profit sharing in this country. (*International Encyclopedia*, vol. 19, pages 244-245.)

4. Describe the earlier forms of co÷peration in this country. (*International Encyclopedia*, vol. 6, page 44.)

5. For what purpose was the "Rochdale plan" originated? (Harris, page 88.)

6. Discuss voting rights under the Rochdale plan.

(Harris, pages 90- 91.)

7. Describe the store service under the Rochdale plan. (Harris, pages 93-94.)

8. How does the Rochdale plan promote thrift? (Taussig, pages 348- 349.)

9. Why has co÷peration succeeded in Great Britain? (Taussig, page 350.)

10. What is the Schulze-Delitzsch plan? (Taussig, pages 352-353.)

11. What is the Raiffeisen plan? (Taussig, page 354.)

12. Among what classes of the population is co÷peration of greatest importance? (Taussig, pages 347-349.)

13. How does co÷peration teach self-government? (Fay, pages 324-325.)

14. How has co÷peration encouraged thrift? (Fay, page 329.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a study of a profit-sharing plan in your locality. (Write to the Bureau of Labor Statistics at

your State Capitol, asking for the names and addresses of employers in your locality who have experimented with profit sharing.)

2. Interview, or write to, an employer, explaining the essence of profit sharing, and asking his opinion as to its practicability in his business.

3. Interview, or write to, the officials of a trade union, regarding their attitude toward profit sharing.

4. Write to the Co÷perative League of America, 2 West 13th Street, New York City, asking for free literature on co÷peration in your section. If any of the groups of co÷perators in your section are found to be close at hand, make a study of a typical co÷perative group.

5. Draw up a plan for a co÷perative buying club, and discuss with your fellow students the chances for its success. (Consult Harris, *Co÷peration, the Hope of the Consumer*, chapter xiv.)

6. Draw up a plan for the co÷perative marketing of some agricultural product in your section. Send a description of the plan, giving advantages, etc., to a farm journal in your section. (Consult Powell, _Co÷peration in Agriculture>/i>, chapter iv, and Coulter, *Co÷peration Among Farmers*.)

II

7. Profit sharing as a method of securing industrial peace. (Burritt, and others, *Profit Sharing*, chapter vii.)

8. Profit sharing as a means of stabilizing labor. (Burritt, and others, *Profit Sharing,* chapter vi.)

9. Relation of co÷peration to advertising. (Harris, *Co÷peration, the Hope of the Consumer,* chapter xix.)

10. Credit co÷peration in Germany. (Fay, *Co÷peration at Home and Abroad,* part i, chapter ii.)

11. Co÷peration in dairying. (Fay, *Co÷peration at Home and Abroad,* part ii, chapter vi.)

12. Co÷peration among New England farmers. (Ford, *Co÷peration in New England,* chapters vi-ix.)

13. Co÷peration among immigrants in New England. (Ford, *Co÷peration in New England,* chapter iii.)

14. Co÷peration in the fruit industries. (Powell, *Co÷peration in Agriculture,* chapter viii.)

15. The relation of thrift to nation-building. (*Annals,* vol. lxxxvii, pages 4-9.)

16. The relation of co÷peration to socialism. (Fay, *Co÷peration at Home and Abroad,* pages 350-355; Sonnichsen, *Consumers' Co÷peration,* part ii, chapter ii.)

CHAPTER XIII

THE GENERAL NATURE OF SOCIALISM

121. SOCIALISM IS A VAGUE TERM.—It is often said that the term "socialism" is so vague that it is useless to attempt to define it. The word is used to cover all sorts of schemes of industrial and social reform. Sometimes a person whose viewpoint concerning politics or business has become more liberal appears to himself or to others as a socialist. From the standpoint of many individuals, all those who advocate the extension of government control are socialists. Still others label as socialists all reformers with whose ideas they are not in accord. It very often happens that persons who pass in the community for socialists are not recognized as such by the official socialist parties. Indeed, certain official socialist groups go so far as to declare that other official socialist groups are "not really socialists," either in thought or in action.

122. A DEFINITION OF SOCIALISM.—In spite of this confusion it is possible to formulate a rather precise definition of socialism. Leaving until later the distinction between the chief socialist groups, we may say that the following definition covers all who are strictly socialists: Socialism is an economic theory which aims to abolish the capitalistic system, and to substitute for it "a system of collective

ownership and democratic management of the socially necessary means of production and distribution." In rather more simple language, socialism intends that all income-producing property shall be owned and directed by the state. The state is to own and operate land, factories, workshops, railroads, and all other means of production. Private property and the competitive system are to be abolished. [Footnote: Socialism does not seek to abolish the private ownership of food, clothing, and other forms of consumers' goods, yet both socialists and non-socialists accept the unqualified statement that "socialism seeks to abolish private property." because it is the private ownership of producers' goods rather than of consumers' goods, which constitutes a cornerstone of the capitalistic system.] All business is to be conducted by the government, and all persons are to be employees of the government. The distribution of wealth is to be directed by the government.

123. RELATION OF SOCIALISM TO OTHER RADICAL THEORIES.—The terms "communism" and "socialism" call for careful distinction. What is now known as socialism was formerly known as communism. For example, Karl Marx, the founder of modern socialism, called himself a communist. His followers later abandoned the name, and began calling themselves socialists. Still later, during the World War, a group of Russian socialists, popularly known as the bolshevists, revived the term

communist in the sense used by Marx. Strictly speaking, however, communism is generally thought of to-day as a type of small community organization in which all wealth, including both the instruments of production and consumers' goods, is owned by the community. Socialism, on the other hand, proposes that the state own and operate only the instruments of production, leaving food, clothing, and other consumers' goods to be owned and enjoyed by individuals.

Socialism is often thought of in connection with the doctrine of anarchy. Anarchism and socialism are alike in that both object to one man having authority over another. Anarchism agrees with socialism that capitalism is bad because it gives the employer power over the laborer. But at this point the two theories begin sharply to diverge. Socialism desires to abolish private property and to concentrate all authority in the hands of the state. The anarchist maintains that this is simply a transference of authority, and declares that authority in any form is an evil. Thus where socialism seeks to enlarge the powers of the state, anarchism objects to the existence of any governmental authority whatsoever.

In addition to communism and anarchism, there are a number of interesting theories that are more or less closely associated with the socialist movement. These will not be discussed here, for two reasons: first, an adequate treatment of them would permit the problem of industrial reform to take up a

disproportionate share of our time; second, many of these theories, while interesting, are relatively unimportant, from the standpoint of American democracy at least. We may, therefore, confine ourselves to socialism proper, as defined in Section 122.

124. KARL MARX AND HIS INFLUENCE.—The germ of socialism can be traced back as far as Plato, but the modern movement takes its main impetus from the teachings of Karl Marx. Karl Marx was a German Jew, who lived between 1818 and 1883. Marx early became known for his radical views on political and economic subjects. In 1848, he published, in collaboration with Frederick Engels, the well-known Communist Manifesto. The Manifesto, which has been called the "birth-cry of modern socialism," gives in concise form the essence of the socialist doctrine. In 1864 Marx helped organize the "International," a federation of radical thinkers, with affiliations in the different countries of Europe. In 1867 he published the first volume of his famous work, *Capital*, which elaborated the views set forth in the Manifesto, and which has since been adopted as the "Bible of Socialism." Due to the great influence which Marx has exerted upon socialist doctrine, he may justly be called the founder and inspiration of modern socialism.

125. THE SOCIALIST INDICTMENT.—The claims of socialism, as formulated by Marx and elaborated by his followers, constitute a serious indictment of

present-day society. Socialists point out, for example, that the capitalistic system has numerous faults. They call attention to the fact that capitalism involves enormous wastes in materials and men; they show that luxurious and injurious goods are produced; and they maintain that in the past natural resources have often been monopolized by a few. They believe the system of private property to be unjust, and declare that free competition involves needless duplication of effort. At the present time, it is contended, all the good things of life go to a few, while the masses remain in poverty and misery. Socialists declare that the fruits of capitalism are unemployment, industrial accidents, crime, vice, poverty, disease, and premature death. These charges are serious, and Chapter XVI will be devoted to their critical examination. In this chapter we are concerned chiefly with an exposition of the socialist doctrine.

126. ECONOMIC INTERPRETATION OF HISTORY. —Formerly a great principle of socialism was the claim that all history has been determined by economic forces. According to this view, our whole social and political life, including our basic ideas concerning religion, art, science, and government, are only the reflected result of economic forces. History, Marx contended, is the record of how one class has gained wealth and power at the expense of another class. The present state of society, he asserted, is the result of the exploitation of the

masses by a few.

With this principle we need not further concern ourselves. It is an academic appendage to the socialist doctrine, and at the present time is not stressed by socialists. The majority of socialists now concede that while economic forces have been important in history, social, religious, and political forces are also important. In view of this admission, the chief importance of the doctrine of the economic interpretation of history is its theoretical connection with the two great cornerstones of socialism: the theory of surplus value, and the theory of class struggle.

127. THEORY OF SURPLUS VALUE.—Marx claimed that practically all wealth has been created by the laborers alone, and that all persons other than laborers are parasites. To those who have carefully studied Chapter VIII the error of this claim must appear self-evident, nevertheless, this concept of value is the basis of all socialist attacks upon government and industry. Marx developed this theory as follows:

The value of an article is determined solely by the amount of labor expended upon its production. But although the laborer creates all wealth, the capitalist is enabled, by virtue of his monopolistic control over the instruments of production, to prevent this wealth from going entirely to the laborer. [Footnote: By "capitalists" socialism means not only individuals

with money to loan, but "employers" in general, whether middlemen, entrepreneurs, or true capitalists.] Socialism declares that the capitalist holds the laborer in virtual slavery, the laborer receiving only enough of the wealth created by him to enable him to keep alive, while the surplus of this wealth goes to the capitalist. The capitalist is thus a parasite who performs no useful task, but robs the laborers of the fruits of their industry. Marx did not regard profits as reward for business enterprise, but called them "plunder." Capitalism, according to this view, is a system of theft, involving "misery, oppression, slavery, degradation, and exploitation."

128. CLASS STRUGGLE.—Marx declared that the capitalistic system was doomed to destruction. He maintained that as time went on, wealth would tend to concentrate more and more in the hands of the capitalist or employing class. Trusts and monopolies would become more common, and gradually capitalism would become so unwieldy and so unworkable a mechanism that it would finally fall to pieces of its own weight. Crises, panics, and trade depressions were supposed to be indications of this inevitable disaster.

The tendency for wealth to concentrate in the hands of a few was to be accompanied by the growing poverty of the masses. Marx believed that the middle classes would eventually disappear, leaving only the wealthy employers and the miserable laborers. The individuals comprising these

two classes would steadily draw apart into two great armies which were destined to battle to the death. Socialism denies that employers and laborers have anything in common, and insists that between these two groups a struggle must go on until the employing class is abolished.

129. WHAT IS THE ULTIMATE AIM OF SOCIALISM?—Nothing could here be more important than to know the ultimate aim of socialism, nevertheless, there is among socialists no agreement as to the framework of the system which they expect to substitute for capitalism. All socialists desire collective ownership and direction of the instruments of production, but beyond this there is practically nothing in the way of a constructive socialist program. Generally, it is declared that when capitalism has been abolished, the working classes will organize industry on the basis of communal ownership. In the socialist commonwealth there is to be no class struggle, for the reason that there are to be no classes. There is to be a just distribution of wealth, together with an abolition of poverty, unemployment, and all forms of social injustice. But as to how this is to be accomplished we have no proof. The so-called constructive program of socialism is not so much a definite agreement as to aims and methods, as it is a confused and disordered expression of the attitude of different socialist groups toward capitalism. Indeed, when socialists are asked to advance a concrete and definitely constructive

program, the reply is often made that the advent of socialism is so far distant that the constructive side of its program is of no immediate consequence.

130. NEGATIVE CHARACTER OF SOCIALISM.—But although the constructive program of socialism is vague and unreal, its destructive or negative program is definite and very real. Socialism is opposed to government as it exists to-day, and to that extent, it disapproves of the Constitution of the United States. The capitalistic system is to be destroyed. The institution of private property is to be abolished. Free competition and private initiative are to be abolished or greatly restricted. All business is to be under the thumb of the government. Personal liberty is to be narrowed down. Some socialists even go so far as to declare war upon the family and the church, but though a number of socialist leaders favor the abolition of the institution of marriage, and are professed atheists, it should be borne in mind that the great majority of socialists are not openly hostile to the home and the church. Indeed, the average socialist is probably as friendly to these institutions as is the average non-socialist.

131. SOCIALIST ATTITUTE TOWARD VIOLENCE.—It is important to understand the methods of socialism. Throughout the greater part of his life, Karl Marx openly advocated violence and revolution as a means of securing the downfall of capitalism. Socialists, says the Communist Manifesto, "disdain to conceal their views and aims. They openly declare

that their ends can be attained only by the forcible overthrow of all existing social conditions." Toward the end of his life, Marx changed this view somewhat, and apparently came to believe that the overthrow of the capitalistic system might come gradually and without bloodshed. In accordance with this later view, there is to-day a considerable socialist group which disavows violence. Members of this group are known as political socialists.

On the other hand, many socialists cling to Marx's earlier insistence upon violence and bloodshed as a means of attaining socialist ends. Members of the latter class are known as militant socialists, as opposed to those who disavow violence and rely chiefly upon political weapons. The two best-known groups of militant socialists are the Industrial Workers of the World and the Russian bolshevists.

132. POLITICAL SOCIALISM.—Many political socialists are personally so mild and agreeable that the thought of unlawful action would never be associated with them. The political socialist relies chiefly upon the growing political power of the working class to effect the abolition of capitalism. This emphasis upon political weapons has been particularly noticeable among socialists living in democratic countries where the franchise is widely extended, and where the will of the people is reflected through the action of their chosen representatives. The political socialist makes a large use of propaganda. He tries to stir up the

workingman, to create in him a feeling of solidarity with his fellow workmen, and to incite a feeling of antipathy toward, and dislike for, the employing class. The political socialist emphasizes or exaggerates the undesirable side of the laborer's life, and endeavors by promises of an industrial millennium to rouse him to political action. "Workingmen of the world, unite, you have nothing to lose but your chains," is the slogan of the political socialist.

133. ALL SOCIALIST TEACHINGS TEND TOWARD VIOLENCE.—Though large numbers of political socialists are peaceful and responsible citizens, it should be noted that all socialist teachings tend to result in violence. The insistence of socialism upon the class struggle, the deliberate encouragement of industrial ill-will and the general policy of obstructing the activities of government, all lead inevitably to violence. Strikes involving bloodshed have in many instances been traced to the teachings of political socialism. During the World War, many political socialists in the United States supported our cause, but others of this group opposed the selective draft, attempted to demoralize our military forces, and impeded the conduct of the war by giving aid and succor to German agents. By a series of slight steps, political socialism, theoretically law-abiding and harmless, may drift into treasonable and revolutionary acts. The difference between political and militant socialism is thus one of degree only.

QUESTIONS ON THE TEXT

1. Define socialism.

2. What is the relation between the terms "communism" and "socialism."?

3. How are anarchism and socialism related?

4. Who was Karl Marx, and what has been his influence upon socialism?

5. Outline the socialist indictment.

6. What is meant by the "economic interpretation of history"?

7. Explain clearly Marx's theory of surplus value.

8. Just what is meant by the class struggle?

9. Discuss the character of the socialist program.

10. Explain the attitude of Marx toward violence.

11. Distinguish between political and militant socialism.

12. Name the two chief groups of militant socialists.

13. In what respect do all socialist teachings tend to result in violence?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xiii.

Or all of the following:

2. *International Encyclopedia*, vol. 21, article on "Socialism."

3. Le Rossignol, *Orthodox Socialism*, chapter i.

4. Marx and Engels, *The Communist Manifesto*, all.

5. Skelton, *Socialism, a Critical Analysis*, chapter ii.

QUESTIONS ON THE REQUIRED READINGS

1. Explain why increasing social discontent among certain groups may be due to improvement in their social and economic condition. (Skelton, page 17.)

2. What, according to socialists, has been the effect upon the workers of the introduction of machinery into industry? (Le Rossignol, page 9.)

3. What, according to Marx, has been the effect of the factory system upon the laborer? (Skelton, pages 33-34.)

4. What is meant by "wage slavery"? (Skelton, pages 30-32.)

5. What is meant by the "iron law of wages"? (Le

Rossignol, page 9.)

6. What, according to socialism, has been the effect of capitalism upon the moral tone of the workers? (Skelton, pages 37-40.)

7. Who are the bourgeoisie? (*Communist Manifesto.*)

8. Who are the proletariat? (*Communist Manifesto.*)

9. What, according to Marx and Engels, are the aims of socialism? (*Communist Manifesto.*)

10. What does Marx mean by "class consciousness"? (*International Encyclopedia,* vol. 21, page 235.)

11. What changes would occur in human character, in the opinion of the socialists, if socialism were to supplant capitalism? (Le Rossignol, page 10.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Ask each of a number of prominent citizens in your community to define socialism. Compare the definitions secured with that given in section 122. What do you conclude as to the indefiniteness of the term "socialism"?

2. Make a brief study of the social classes in your

community. Does it appear that all of the community's citizens may be grouped into either a wealthy employing class or into an impoverished laboring class? Compare your conclusion with Marx's statement. (Section 128.)

3. Select for study a shop, factory or mill in your locality.

(a) Does it appear that the interests of the laborers and the employers are identical or in opposition?

(b) Carefully observe the actual conduct of the business. Does it appear to you that the laborers alone create the product? Give your reasons.

(c) Do the laborers under observation appear to be getting barely enough wages to enable them to keep alive? Check up your conclusion by visiting the homes of some of the laborers in question.

4. Write to the Department of Justice, Washington, D. C., for information regarding the activities of American socialists during the World War.

II

5. Robert Owen and his work. (Consult an encyclopedia.)

6. Utopian socialism. (Skelton, *Socialism, a Critical Analysis*, chapter iv; Carver, *Elementary Economics*,

chapter xliii.)

7. Examples of Utopian communities in the United States. (Hinds, *American Communities*. See also an encyclopedia under "Communism.")

8. The nature of anarchism. (Carver, *Elementary Economics*, chapter xlvi.)

9. The life of Karl Marx. (Consult an encyclopedia.)

10. The law of capitalistic development. (Skelton, *Socialism, a Critical Analysis*, chapter vii.)

11. The economic interpretation of history. (Skelton, *Socialism, a Critical Analysis*, chapter v.)

CHAPTER XIV

MILITANT SOCIALISM: THE I. W. W.

134. ORIGIN OF THE I.W.W.—The letters I.W.W. are a convenient abbreviation which is used to designate a group of militant socialists calling themselves the Industrial Workers of the World. The I.W.W. resemble a French socialist group known as

syndicalists, and on that account the I.W.W. are sometimes called the American syndicalists. As a matter of fact, the I.W.W. are a distinct group, and are in no way affiliated with the French syndicalists.

The I.W.W. movement can be traced to a miners' strike in Colorado in 1903. As the result of the labor unrest which this strike accentuated, a conference of radical labor leaders was called in Chicago in 1904, to discuss the question of forming a socialist organization which should advocate methods more drastic than those of political socialism. In the summer of 1905 a second convention was held in Chicago, and a constitution was drawn up and subscribed to. Section 1 of Article I of this constitution reads: "This Organization shall be known as the 'Industrial Workers of the World.'"

135. THE I.W.W. AND THE POLITICAL SOCIALISTS: SIMILARITIES.—Like the political socialists, the I. W. W. go back to Karl Marx for their basic teachings. William D. Haywood, one of the I. W. W. leaders, accepted Marx's theory of surplus value in these terms: "The theory of surplus value is the beginning of all socialist knowledge. It shows the capitalist in his true light, that of an idler and a parasite. It proves to the workers that capitalists should no longer be permitted to take any of their product." The I. W. W. also stress the class struggle. The preamble to their constitution declares that "the working class and the employing class have nothing in common," and asserts that "between these two

classes a struggle must go on until all the workers of the world organize as a class, take possession of the earth, and the machinery of production, and abolish the wage system." In these important particulars there is agreement between the I. W. W. and the political socialists.

136. THE I.W.W. AND THE POLITICAL SOCIALISTS: DIFFERENCES.—The chief difference between the two groups is one of method. The political socialists prefer political action to violence; the I.W.W. prefer violence to political action. The I.W.W. believe that political methods are altogether too slow and unreliable, and accordingly they have so far refused to affiliate with any political party. The extreme limits to which the I.W.W. have gone in the matter of violence have caused many political socialists to disavow this militant group. The attempt has even been made to prove that the I.W.W. are not socialists at all, though as a matter of fact they are as truly so as is any other socialist group.

137. I.W.W. METHODS: THE STRIKE.—The I.W.W. use the strike, not as a means of securing better working conditions, but as a method of fomenting revolution. "Instead of the conservative motto, 'A fair day's wages for a fair day's work,'" declares the preamble to their constitution, "we must inscribe on our banner the revolutionary watchword, 'Abolition of the wage system.'" In their use of the strike, the I.W.W. accordingly oppose conciliation or arbitration of any kind, and whether or not they gain their

point, they go back to work with the intention of striking again at the next opportune time. This policy has been formulated by the I.W.W. in the following words: "Strike; win as much as possible; go back to work; recuperate; strike again… whatever concessions from capitalism the workers secure, sooner or later they will strike again."

The principal strikes initiated in pursuance of this policy occurred at McKees Rocks, Pennsylvania, in 1909; Lawrence, Massachusetts, in 1912; Butte, Montana, in 1914; and Bisbee, Arizona, in 1916. Violence and lawlessness have been prominent features of each of these strikes.

138. I.W.W. METHODS: SABOTAGE.—The word sabotage is of French origin, and is used to describe any sort of deliberate action on the part of workmen which results in the destruction of the employer's property. Sabotage is a species of guerrilla warfare, designed to foment the class struggle. Louis Levine, an I. W. W. sympathizer, has said that "stirring up strife and accentuating the struggle as much as is in his power is the duty" of the I. W. W. Some of the commoner forms of sabotage are injuring delicate machinery, exposing the employer's trade secrets to rival employers, lying to customers about the quality of the goods, crippling locomotives so that they cannot be operated, slashing the harness of teamsters, shipping perishable goods to the wrong destination, burning forests and wheat fields, sawing lumber into unusual lengths, and allowing foodstuffs

to spoil or deteriorate.

139. I.W.W. METHODS: DESTRUCTION OF LIFE.—In their effort to destroy the existing order of society, some of the I.W.W. are frankly willing to go as far as assassination. I.W.W. leaders have advised their followers, both orally and through their writings, to extend the term sabotage to cover the destruction of human life. During the World War the I.W.W. caused a loss of life by putting poison in canned goods, and by causing train wrecks. They have advocated the placing of ground glass in food served in hotels and restaurants. Since the organization was formed in 1905, several bomb outrages resulting in loss of life have been charged against the I.W.W., but in justice to this group, it must be observed that these crimes have never been proved to have been committed by authorized I. W. W. agents.

140. NEGATIVE CHARACTER OF THE I.W.W.—The I.W.W. resemble the political socialists in their failure to offer a definite system which could be substituted for the capitalistic system. Some of the I. W. W., it is true, have formulated a plan by means of which society is some day to be organized primarily on an industrial basis. According to this program, the workers of a given industry, say the railroad industry, will be organized into a single union, rather than, as at present, into a number of trade unions, such as an engineers' union, as distinct from the firemen's union, the brakemen's union, etc. The

railroad union would in turn become a branch of a great transportation union, and the transportation union would in turn become a division of the "One Big Union," which is to include all workers in all countries of the world.

If this plan were approved by the entire I. W. W. organization, it would mean that the I. W. W. intended industry to be controlled by a super-organization of workingmen, all other persons to be excluded from any control whatsoever. As a matter of fact, this is the program of only a faction of the I. W. W. The idea of "One Big Union" is opposed by a second group, which insists that after the destruction of capitalism, industry must be handed over to the exclusive control of small units of laborers, unaffiliated with, and uncontrolled by, any larger organization. Beyond the formulation of these two opposing views, a constructive I. W. W. program has never been developed. Attention continues to be centered upon the destruction of the present system.

141. UNDEMOCRATIC CHARACTER OF THE I. W. W.—The I. W. W. oppose our present democracy. They oppose our Constitution and its fundamental guarantees of personal liberty, individual rights, and private property. They seek revolution, not in order to secure justice for the masses, but in order to place the laboring class in complete power in industry and government. They announce their intention of continuing the class struggle "until the working class is able to take possession and control of the

machinery, premises, and materials of production right from the capitalists' hands, and to use that control to distribute the product of industry *entirely* among the workers."

142. LIMITED APPEAL OF THE I. W. W. PROGRAM.—It is a testimonial to the common sense of American workmen that the I. W. W. have made little headway. Until the Lawrence strike in 1912, the movement centered in the Far West, and it is even now practically confined to those parts of the West where industry is less well organized, and where family life is less stable. Miners, lumbermen, and railway construction workers are prominent in the movement. In general, the I. W. W. theory appeals chiefly to the lower strata of unskilled labor, to young and homeless workers, to transients, and to unassimilated immigrants. The better trained and the more intelligent American workmen reject the program of the I. W. W. These latter workmen believe in bettering their condition through the gradual development and enforcement of industrial standards, made possible by lawful co÷peration with the employer. The truth of this statement is borne out by the fact that whereas the I. W. W. number scarcely 30,000, the American Federation of Labor has more than 4,000,000 members. Numerically the I. W. W. are unimportant, and it is chiefly their violent and spectacular tactics which attract attention.

QUESTIONS ON THE TEXT

1. What do the letters I. W. W. stand for?

2. How did the I. W. W. organization come into existence?

3. In what ways are the I. W. W. like the political socialists?

4. In what way do the I. W. W. differ from the political socialists?

5. What use do the I. W. W. make of the strike?

6. Define sabotage, and give some examples.

7. Discuss "destruction of life" as an I. W. W. aim.

8. Upon what basis do the I. W. W. expect to reorganize society?

9. What is meant by "One Big Union"?

10. What is the attitude of the I. W. W. toward democracy?

11. To what classes of the population does the I. W. W. theory make its chief appeal?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xiv.

Or all of the following:

2. Bloomfield, *Modern Industrial Movements*, pages 40-50 and 78-86.

3. Hoxie, *Trade Unionism in the United States*, chapter vi.

4. *International Encyclopedia*, vol. 12, article on "Industrial Workers of the World."

5. Preamble to the Constitution of the Industrial Workers of the World.

QUESTIONS ON THE REQUIRED READINGS

1. Name some of the unions represented in the I.W.W. convention of 1905. (*International Encyclopedia,* page 150.)

2. What do the I.W.W. insist must be the outcome of the class struggle? (Preamble to the constitution.)

3. What sort of an organization do the I. W. W. believe to be essential if the condition of the workers is to be improved? (Preamble to the constitution.)

4. What are the three reasons why the I.W.W. expect to take over industry? (Bloomfield, page 80.)

5. What may be said as to the present attitude of the I.W.W. toward political parties? (International Encyclopedia,_ page 151.)

6. What are some of the differences between the I.W.W. and the French syndicalists? (Bloomfield, pages 49-50.)

7. What is the origin of the word sabotage? (Bloomfield, page 80.)

8. To what extent is the I.W.W. movement supplied with able leaders? (Hoxie, pages 149-150.)

9. Discuss the membership of the I. W. W. (Hoxie, pages 139-140.)

10. Explain the attitude of the masses of American workmen toward the I.W.W. (Hoxie, pages 157-161.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Interview, or write to, the officials of a trade union in your community with reference to the attitude of the trade union toward the I.W.W. (Many trade unions are bitterly opposed to the I.W.W.; others are more tolerant of this form of militant socialism.)

2. Investigate the conditions surrounding any strike which has been initiated in your neighborhood by the I.W.W. (Consult the officials of a local trade union. Consult, also, the files of local newspapers and the *Readers' Guide to Periodical Literature.*)

3. A number of states have recently passed laws restricting the destructive tactics of the I.W.W. Ascertain whether or not your state has passed such laws. (Write to the state library at the state capitol.)

Also write to the proper authorities in several other states, asking for a copy of such laws, if any have been passed in those states.

II

4. Origin of the I.W.W. (Groat, *Organized Labor in America,* chapter xxvii.)

5. The theory of "direct action." (Bloomfield, *Modern Industrial Movements*, pages 62-67.)

6. Conflict of aims and ideals within the I. W. W. organization. (Hoxie, *Trade Unionism in the United States*, chapter vi.)

7. Sabotage. (Groat, *Organized Labor in America*, chapter xxviii.)

8. Theory of the "general strike." (Brooks, *American Syndicalism: The I. W. W.*, chapter x.)

9. Syndicalism. (*International Encyclopedia*, vol. 21, article on "Syndicalism.")

10. Relation of the I. W. W. theory to anarchism. (Brooks, *American Syndicalism: The I. W. W.*, chapter xiv.)

CHAPTER XV

MILITANT SOCIALISM: THE BOLSHEVISTS

143. SIGNIFICANCE OF BOLSHEVISM.-The term "bolshevist" is used to designate a group of militant socialists that seized power in Russia in the fall of 1917. Strictly speaking, the bolshevists were purely a Russian group, nevertheless, they are of interest to students of American democracy. Until the outbreak of the World War socialism was primarily a theory, the claims of which could not definitely be settled for the reason that it had never been applied on a large scale. Bolshevism is significant because it is the only instance in the history of the world where nation-wide socialism has actually been put into operation. The peculiar conditions surrounding the Russian experiment may prevent any detailed conclusions as to the availability of bolshevist experience for other countries; on the other hand, the general results of that experiment must throw some light upon what we might expect if a socialist experiment were made in other countries. It is important, therefore, that we inquire into the nature of the Russian socialist state.

144. ORIGIN OF THE BOLSHEVISTS.—There is a popular impression that since the word bolshevist means "majority" in the Russian language, the bolshevists represented or constituted a majority of the Russian people. This is not true, as the history of

the group shows. The origin of the bolshevists dates from a convention of the Russian Social-Democratic party in 1903, at which time a majority (*bolshinstv*˘) took an extreme stand upon the policies then being discussed in convention. In the years that followed the bolshevists became known as the radical or extreme wing of the Russian Social- Democratic party, as opposed to the menshevists, or moderate wing.

It appears that as early as 1905 the bolshevists planned to secure control of the Russian government. The opportunity presented itself during the World War, which Russia had entered early in August, 1914. In March, 1917, a non-bolshevist group initiated a revolution, which overthrew the government of the Czar and established a provisional government under the leadership of Alexander Kerensky. This government immediately instituted a number of democratic reforms, including the extension of the suffrage to all men and women who were Russian citizens. These citizens elected delegates to a constituent assembly, but at this point the bolshevists, seeing that the voters of Russia were overwhelmingly against bolshevism, attacked the new government. The constituent assembly was forcibly dissolved, its defenders slaughtered, and on November 7, 1917, the bolshevists seized the reins of government. Thus bolshevism as a government came into being as the result of suppressing the lawfully expressed will of the Russian people.

145. THE BOLSHEVIST CONSTITUTION: LIBERAL ELEMENTS.—On July 10, 1918, the bolshevists adopted a constitution. This remarkable document was a strange compound of liberal and despotic elements. It made a number of important promises to the people of Russia, announcing, for example, that the new government would "put an end to every ill that oppresses humanity." In pursuit of this ideal, the church was separated from the state, and complete freedom of conscience was accorded all citizens of Russia. Citizens were to enjoy complete freedom of speech and of the press. For the purpose of "securing freedom of expression to the toiling masses," provision was made for the free circulation throughout the country of newspapers, books, and pamphlets. Full and general education to the poorest peasantry was also promised. Capital punishment was declared abolished, and a solemn protest against war and violence of every kind was adopted.

146. THE BOLSHEVIST CONSTITUTION: RESTRICTED SUFFRAGE.—These liberal provisions were offset, however, by a number of important restrictions upon the voting rights of the people. Article IV of the bolshevist constitution declared that the right to vote should not be extended to the following groups: all persons employing hired laborers for profit, including farmers who have even a single part-time helper; all persons receiving incomes from interest, rent, or profits; all persons engaged in private trade, even to the smallest shop-

keeper; all ministers of religion of any kind; all persons engaged in work which was not specifically defined by the proper authorities as "productive and useful to society"; members of the old royal family; and individuals formerly employed in the imperial police service. The constitution further provided that representation in the various deliberative assemblies (called soviets, or councils) should be arranged so that one urban bolshevist would be equal, in voting strength, to five non- bolshevist peasants. Lastly, the constitution significantly neglected to provide any machinery whereby the voters, either as individuals or in groups, could make nominations for any governmental office. The power of nomination was assumed by various bolshevist officials.

147. THE BOLSHEVIST CONSTITUTION: PROVISION FOR A DESPOTISM.—The bolshevist constitution frankly provided for a despotism. "For the purpose of securing the working class in the possession of complete power," reads the concluding section of chapter two of the constitution, "and in order to eliminate all possibility of restoring the power of the exploiters, (the capitalist or employing class), it is decreed that all workers be armed, and that a socialist Red Army be organized and the propertied class disarmed." These steps, the constitution goes on to state, were to be taken for the express purpose of introducing nation-wide socialism into Russia.

148. "DICTATORSHIP OF THE PROLETARIAT."—

Shortly after the publication of the constitution, Lenin and Trotzky, the two bolshevist leaders, established what was called the "dictatorship of the proletariat." The word proletariat refers vaguely to the working classes, but the bolshevists interpreted the term to cover only that portion of the workers which was pledged to the support of socialist doctrine. Lenin admitted that a small number of bolshevized workingmen, the proletariat, was maintaining, by force of arms, a despotic control over the masses of the people. "Just as 150,000 lordly landowners under Czarism dominated the 130,000,000 of Russian peasants," he once declared, "so 200,000 members of the bolshevist party are imposing their will on the masses." According to these figures, the controlling element in Russia included less than one sixth of one per cent of the people.

From the first, the great majority of the peasants stolidly resisted the socialization of the country, but this did not discourage the bolshevist leaders. "We have never spoken of liberty," said Lenin early in 1921. "We are exercising the dictatorship of the proletariat in the name of the minority because the peasant class in Russia is not yet with us. We shall continue to exercise it until they submit. I estimate the dictatorship will last about forty years."

149. SUPPRESSION OF DEMOCRACY.—The democratic tendencies evidenced under the Kerensky regime, and apparently encouraged by some of the

provisions of the bolshevist constitution, were quickly checked by the dictatorship. It became the policy of the government to deprive "all individuals and groups of rights which could be utilized by them to the detriment of the socialist revolution." The semblance of a representative system was retained, but voting power was so distributed as to allow an oligarchic group to control the government's policies. This group had the power to disallow elections which went against it, as well as the power to force the dismissal from local Soviets of anti-bolshevist members. The right to vote could be arbitrarily withdrawn by order of the central authorities. Free speech and the right to enjoy a free press were suppressed. Lenin admitted that bolshevism "does not represent the toiling masses," and declared that "the word democracy cannot be scientifically applied to the bolshevist party." Both Lenin and Trotzky declared that they had no fixed policy except to do whatever at the moment seemed expedient, regardless of previous statements or promises.

150. ABOLITION OF THE CAPITALIST SYSTEM.—Socialism, so long a theory, became a practical concern at the moment that the bolshevists secured control of the government. Private property in land was abolished, the arable land of Russia being apportioned among agriculturists without compensation to the former owners. All mines, forests, and waterways of national importance were taken over by the central government, while the

smaller woods, rivers, and lakes became the property of the local Soviets. Banking establishments were seized and looted by bolshevist forces. Factories, railroads, and other means of production and transport were taken over. Inheritance was abolished. Private initiative in business was forbidden. Members of the capitalist or employing classes were imprisoned, murdered, or driven from the country. In a word, the capitalistic system was destroyed, and the economic and political machinery of the country came under the full control of a small socialist group, maintained in power by armed force.

151. PARALYSIS OF INDUSTRY UNDER SOCIALISM.—The substitution of socialism for capitalism in Russia was followed by disaster. The workers were unable to carry on the industries which had been handed over to them. Discouraged by repeated errors in administration, and demoralized by their sudden rise to power, they neglected their work and pillaged the factories and shops in which they had formerly been employed. The elimination of the managing employers resulted in a decrease in output, and to aggravate the situation the laborers continued to insist upon a shorter and shorter working day. In desperation the government attempted to keep the people at their tasks by force. The workers were exploited to a degree previously unknown, even in Russia. They worked longer hours and for less pay than formerly. In many places they were attached to their tasks like medieval serfs, and

even harnessed to carts like beasts of burden. The trade unions were abolished, and the workers were forbidden to strike, on pain of imprisonment or death. Yet despite these measures the output of factories, mills, and mines steadily decreased. Industry stagnated, and business fell away. The millions of Russia were starving in a land of plenty.

152. RETURN TO CAPITALISTIC METHODS.—To save the country from economic ruin, Lenin turned to capitalism. Free initiative and open competition in trade were again allowed. The socialization of railroads, mills, and natural resources was halted. The arable land, which under socialism had not grown enough food to support even the peasants living upon it, was again cultivated under the wage system. The capitalists and managing employers who were alive and still in Russia, were gathered together and placed in charge of industry. The laborers, who had been promised an eight- or six-hour day and complete control of industry, were now forced by the bolshevist government to work long hours under their former employers for practically no pay. By 1919 the essential features of the capitalistic system had been accepted by Lenin and Trotzky, the bolshevists continuing in power as a despotic group which maintained authority over the laborers and the employers by armed force. The theory that all except the laborers are parasites had been exploded.

153. WAS SOCIALISM GIVEN A FAIR TRAIL IN RUSSIA?—To point out that an experiment has failed

is one thing; to prove that it has been attempted under fair conditions is quite another. We cannot, therefore, condemn the bolshevist experiment without some regard for the conditions under which it was conducted.

Undoubtedly, the bolshevists had to contend against several important difficulties. The majority of the Russian people are illiterate peasants, who had had, at the time of the overthrow of the Czar in 1917, little or no training in self-government. In 1917, Russia was, moreover, in a state of political demoralization, the result of three years of war, concluded by a military debacle and a disorderly peace. The suddenness with which socialism was introduced was also a factor which handicapped the bolshevists.

On the other hand, many favorable conditions were present. With respect to natural resources, Russia is one of the richest countries in the world. She has practically everything necessary to a healthy and self-sufficing industrial life. Over this wealth the bolehevists had full control. Lenin, the bolshevist chief, is conceded to have been a remarkable executive, so that the socialist experiment was conducted by a man not only well versed in Marxian doctrine, but capable of exercising an intelligent and authoritative control of the government. The bolshevist territory was blockaded by Great Britain, France, and the United States, but trade connections between Russia and the two last-named countries

had been unimportant. Trade connections with Germany and Sweden on the west, and China on the east, were not broken off.

It is clear that the socialist experiment in Russia was attended by important advantages and disadvantages. Whether or not bolshevism had an absolutely fair trial is as yet impossible to say. On the other hand, the disastrous failure of the experiment would seem to indicate that it could not have met with any great degree of success under fairly favorable conditions. The admissions of the bolshevist leaders themselves, together with the conclusions of the most impartial investigators of the experiment, justify the conclusion that socialism in Russia failed because it was based upon false principles. The bolshevists have been accused of having instituted a reign of terror, bringing in its train lawlessness, murder, desecration of the church, and the most brutal savagery. Into these charges we cannot go; it is enough that the most reliable evidence goes to show that bolshevism, as a nation-wide application of socialist doctrine, was a failure.

154. FAILURE OF BOLSHEVIST PROPAGANDA BEYOND RUSSIA.—Bolshevism, in common with other varieties of socialism, sought to break down national barriers and to establish a dictatorship of the proletariat in all of the countries of the world. Some of the milder socialists in western Europe and America disavowed the acts of the Russian group, but the majority of socialists beyond Russia appear to

have at least secretly sympathized with the bolshevists. Encouraged by this attitude, Lenin and Trotzky frankly admitted their intention of fomenting world-wide revolution. The bolshevist government appropriated large sums for propaganda in countries beyond Russia, and socialist sympathizers everywhere advocated an attempt to overthrow "world capitalism." In the period of unrest immediately following the World War there was some response to bolshevist propaganda in a number of countries, but sounder opinion prevailed, and in 1920 Lenin admitted that the workingmen of Europe and America had definitely rejected his program. The one case of nation-wide socialism had proved too great a failure not to impress the laboring classes in the more advanced countries of the world as a visionary and unworkable scheme.

QUESTIONS ON THE TEXT

1. Why is bolshevism of interest to students of American democracy?

2. Explain the origin of the bolshevists.

3. How did the bolshevists come into power?

4. To what extent was the bolshevist constitution liberal?

5. To what extent did it restrict the suffrage?

6. What did the bolshevist constitution say concerning a "red" army?

7. Explain the phrase, "dictatorship of the proletariat."

8. How did the bolshevists suppress democracy in Russia?

9. Outline the steps by which the bolshevists destroyed capitalism.

10. What were the effects of this destruction?

11. Why did Lenin return to capitalism?

12. Was bolshevism given a fair trial?

13. What was the fate of bolshevist propaganda beyond Russia?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xv.

Or all of the following:

2. Bloomfield, *Modern Industrial Movements*, pages 295-302.

3. Bolshevist constitution, reprinted in the above reference, pages 243-258; copies may also be secured by writing to *The Nation*, New York City.

4. Brasol, *Socialism versus Civilisation*, chapter iii.

QUESTIONS ON THE REQUIRED READINGS

1. What occurred in Russia on October 28, 1917? (Brasol, page 113.)

2. What was the substance of the bolshevist announcement of the overthrow of the Kerensky government? (Brasol, page 114.)

3. What was the attitude of the menshevists toward the bolshevists after the latter had seized control in Russia? (Brasol, pages 120- 122.)

4. What opinion did the bolshevists express with regard to world civilization? (Bolshevist constitution, chapter iii.)

5. In what body did the constitution vest supreme control over the bolshevist government? (Bolshevist constitution, chapter v.)

6. What was the food situation in bolshevist Russia? (Brasol, page 129.)

7. Discuss the output of coal and iron under bolshevist rule. (Brasol pages 132-133.)

8. Describe agricultural conditions under the bolshevists. (Brasol, pages 133-135)

9. Describe the condition of transportation in

bolshevist Russia. (Brasol, pages 135-141.)

10. What were the results of the bolshevist attempt to fix prices by governmental decree? (Brasol, pages 154-155.)

11. What was the attitude of bolshevism toward the peasants? (Bloomfield, page 297.)

12. What was the relation between bolshevist theory and bolshevist practice? (Bloomfield, pages 299-300.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make as thorough a study as the time allows of material appearing in newspapers and magazines, between November, 1917, and the present time, on the subject of bolshevism. (Consult newspaper files, and also the *Readers' Index to Periodical Literature*.)

(a) Classify the material according as it consists of direct quotations from bolshevist leaders, or of indirect quotations.

(b) Classify the material according as it is favorable to bolshevism, unfavorable, or neutral.

(c) Classify the material according as it consists of reports of persons who had themselves actually investigated the situation in Russia, or reports based

upon hearsay evidence.

(d) What conclusions do you draw from this study?

II

2. The essential elements of the bolshevist constitution.

3. Bolshevist propaganda in the United States. (*Hearings before a sub-committee of the Committee on the Judiciary, U. S. Senate*. Government Printing Office, Washington, D. C., 1919.)

4. Attitude of the United States government toward bolshevism. (*Memorandum on certain aspects of the Bolshevist Movement in Russia*, Government Printing Office, Washington, D. C., 1919.)

5. Bolshevism and the Russian trade unions. (*Current History Magazine*, published by the New York *Times*, September, 1920.)

6. The character of Lenin. (Bloomfield, *Modern Industrial Movements*, page's 203-271.)

7. Return of the bolshevists to capitalism. (Bloomfield, *Modern Industrial Movements*, pages 291-295.)

8. Socialist attempts to explain or justify the failure of bolshevism. (Brasol, *Socialism versus Civilisation*, chapter iv.)

CHAPTER XVI

THE CASE AGAINST SOCIALISM

155. ADMINISTRATIVE DIFFICULTIES CONFRONTING SOCIALISM.—Under socialism the work of government would be greatly increased. Thousands of intricate administrative rules would have to be drawn up for the control and direction of activities now attended to by individuals animated by personal interest.

Now, it is seriously to be questioned whether the most highly centralized government could effectively administer the innumerable activities of our complex industrial life. Upon what basis would land be distributed? How would individuals be apportioned among the various employments? Upon what basis would the wages of millions of workmen be determined? Could so mechanical an agency as government foresee future business conditions expertly enough to direct the productive forces of the nation effectively? If prices are no longer to be fixed by competition, how, and by means of what agency, are they to be determined?

These are only a few of the vital questions which would arise in connection with the administration of a socialist state. Various suggestions have been made with regard to some of these difficulties, but there is

among socialists no general agreement as to the answer of any one of these questions. They continue to constitute, in the eyes of practical men, a grave obstacle to socialism.

156. DANGERS OF A SOCIALIST BUREAUCRACY.—Governmental power would have to be very highly centralized if a socialist state were effectively to administer the nation's economic activities as a unit. But this very concentration of power might easily result in the development of a bureaucracy. Waste and the possibility of corruption have unfortunately characterized even those governments over which the people exercise considerable control; it seems probable that the greater centralization of authority demanded by socialism would increase rather than decrease these dangers.

It is to be noted here that the socialists, who might be supposed to consider as paramount the interests of society or of the public, are the very people who are least inclined to do anything of the kind. [Footnote: This concept was suggested to me by Professor Thomas Nixon Carver of Harvard University.] Socialists look upon the state only as an agency for benefiting particular groups of individuals. The emphasis of political socialism upon class struggle, the frank admissions of the I.W.W. that they seek to suppress all but the laboring class, and the establishment by the bolshevists of a dictatorship of the proletariat, all these facts indicate that socialists seek the welfare of particular groups

rather than the welfare of the general public.

But class legislation is repugnant to the principles of American democracy. We believe in government by the masses and for the masses; furthermore, we are committed to the ideal of as much individual freedom and as little governmental compulsion as is compatible with the good of both individual and community. The concept of a socialist bureaucracy, administered in the interests of particular groups, runs counter to our fundamental beliefs and ideals.

157. SOCIALISM WOULD DESTROY PERSONAL INITIATIVE.—One of the strongest arguments against socialism is that it would destroy personal initiative. Socialism runs counter to human nature by undervaluing the principle of self-interest. Economists are generally agreed that the abolition of the institution of private property would cause the ambition of the individual to slacken. In spite of its defects, it is the competitive system, with its promise of reward to the energetic and the capable, which is largely responsible for the miraculous prosperity of modern times. Men ordinarily will not undergo systematic training, perfect inventions, strive to introduce greater and greater economies into their business, or undertake the risk of initiating new enterprises, unless they are assured that they will be able to enjoy the fruits of their labor.

And not only would socialism discourage ambition by abolishing private enterprise, but it might

encourage inefficiency and shiftlessness. Every man would be guaranteed a job, every individual would be protected against want. It is even likely that a socialist state would undertake to rear and provide for the offspring of its citizens. Human experience indicates that this degree of paternalism would encourage laziness and increase irresponsibility.

It is sometimes said that under socialism men would work as eagerly for social esteem as they now work for financial gain. This would be a highly desirable condition, but unfortunately there is nothing in human experience to justify the hope that such a state of affairs will speedily be realized. The spread of altruism in the modern world is heartening, but no sensible person will shut his eyes to the fact that, for the immediate future at least, self-interest promises to be much more widespread than altruism. The love of gain may not be the highest motive in life, but it is better than none, and for a long time to come it will probably be the one which appeals most strongly to the average man. Socialists and non-socialists alike deplore the domination which self-interest exercises over human affairs. But whereas the non-socialist wisely tries to adapt a program of industrial reform to this hard fact, many socialists appear to believe that because the principle of self-interest often works out badly, they ought to act as though that principle did not exist.

158. SOCIALIST THEORY OF DISTRIBUTION UNSOUND.—Both socialists and non-socialists admit

that poverty is an undesirable condition. But over the method of improving the condition of the poor the socialist and the non-socialist disagree. The defender of capitalism begins by pointing out that, under competitive conditions, the unskilled laborer is poor primarily because his labor is not highly productive. The socialist ignores this fact, and insists that the laborer shall receive a share of wealth which shall be adequate to his needs. As we shall have occasion to point out in the next chapter, this attitude of the socialist indicates a fundamental defect in his theory. Socialism pays more attention to who shall eat and how much shall be eaten, than it does to the more fundamental question of how food is to be produced, and how much can actually be produced. Laws may oblige an employer to give his workmen twice as much as they add to the value of his product, but though this will benefit the workmen while it lasts, such a practice would, if widely adopted, lead to industrial bankruptcy. [Footnote: It is assumed, in this section, that the productivity of the laborer is determined from the point of view of the employer. This is in accordance with the productivity theory which was discussed in Chapter IX.]

159. SOCIALIST THEORY OF VALUE UNSOUND.—Many of the defects of the socialist doctrine are traceable to the fact that it rests upon false assumptions. One of these false assumptions is that commodities have value in proportion as labor has been expended upon them. This labor theory of value

has been discarded by every authoritative economist of modern times. As has been pointed out in Chapter VIII, value depends upon scarcity and utility. The soundness of the scarcity-utility theory, as well as the unsoundness of the labor theory, may be brought out with reference to three classes of goods.

First, there are commodities which have value in spite of the fact that no labor has been expended upon them. Virgin land, the gift of Nature, is the most important example. Articles of this class have value because they satisfy men's wants, *i.e.* have utility, and because they are scarce. Labor has nothing to do with their original value.

Second, there are commodities which have no value, even though much labor has been expended upon them. A building erected in a desert or in a wilderness is an example. Unwanted books, or paintings by unknown artists are other examples. Commodities in this class may represent a great expenditure of labor, and still have no value, first because they do not satisfy anyone's wants, and second because they are not scarce, *i.e.* there are not fewer of them than are wanted.

Third, articles may have a value which is out of proportion to the amount of labor expended upon them. The value of diamonds, old coins, and rare paintings is disproportionate to the actual amount of labor involved in their production. A sudden change in fashion may cause the value of clothing and other

commodities to rise or fall, with little or no regard for the amount of labor expended upon them. In each case it is not labor that determines value, but scarcity and utility.

160. LABOR NOT THE ONLY FACTOR IN PRODUCTION.—Labor is an important factor in production, but land, capital, co÷rdination, and government are also of vital importance to any modern industrial community. The great error of the socialist is that he over-estimates the importance of the laborer, and minimizes or altogether denies the importance of the individuals with whom the laborer co÷perates in production. This error is explainable: the laborer does most of the visible and physical work of production, while the part played by the landowner, the capitalist, and the entrepreneur is less physical and often is apparently less direct. The complexity of the industrial mechanism very often prevents the laborer from appreciating the true relation existing between his own physical labor, and the apparently indirect and often non-physical efforts of those who co÷perate with him. It is in this connection that producers' co÷peration and bolshevism have performed a great service. They have demonstrated, by the out-and-out elimination of the managing employer, that the laborer alone cannot carry on modern industry. Such actual demonstrations of the value of factors of production other than labor are of far more service in correcting the viewpoint of the socialist than is any amount of

theoretical argument.

161. THEORY OF CLASS STRUGGLE UNWARRANTED.—The theory of class struggle is based upon the claim that the laborer produces all wealth. But we have seen this claim to be unfounded; therefore the theory of class struggle is built upon an error. Ultimately, the theory of class struggle tends to injure the very class which seeks to gain by advocating it, for true and permanent prosperity for the laboring class (as well as for all other classes) can result only when all of the factors of production work together harmoniously. Fundamentally the quarrel between capital and labor [Footnote: The phrase "capital and labor" is loose and inaccurate, but is in common use. Used in this sense the word "capital" refers to the capitalist and employing classes, while the word "labor" refers to the workers. See Section 181, Chapter XVIII, for a fuller discussion.] is as suicidal as though the arms of a human body refused to co÷perate with the other members. There are, indeed, many antagonisms between capital and labor, but socialism seeks to foment, rather than to eliminate them. Socialism preaches social solidarity and prosperity for all, but by inciting the class struggle it makes for class hatred and a disharmony between capital and labor which decreases prosperity and threatens economic ruin.

162. HISTORY HAS DISPROVED SOCIALISM.—Karl Marx bases his theory of a future socialist state upon a number of predictions, none of which has

come true. According to Marx, socialism was inevitable. He declared that the centralization of wealth in the hands of the capitalists, on the one hand, and the increasing misery of the workers on the other, would accentuate the class struggle and bring about the downfall of capitalism. As a matter of fact, laws are more and more restricting the undue concentration of wealth in the hands of a few. The middle classes, far from disappearing, as Marx predicted, are increasing in numbers and in wealth. The working classes are not becoming poorer and more miserable, but are securing a larger and larger share of the joint income of industry.

The socialist revolution came in 1917, not in the most enlightened country in the world, as Marx had predicted, but in Russia, one of the most backward of civilized countries. This revolution did not demonstrate the superiority of socialism over capitalism, but revealed the fundamental weaknesses of socialism, and led to a more widespread recognition of the merits of the capitalistic system.

In the progressive countries of western Europe and America, the likelihood of a socialist revolution has been greatly diminished by two developments. These developments, both of which were unforeseen by Marx, are as follows: first, the improving condition of the workers has rendered socialist doctrine less appealing; second, the increasing effectiveness of legislation designed to remedy the defects of capitalism has caused attention to be directed to

legislative reform rather than to socialism. With many who were formerly socialists, the supreme question has become, not how to destroy the present order, but how to aid in perfecting it by means of appropriate legislation.

163. SOCIALISM CLAIMS TOO MUCH.—Socialism often appeals strongly to people who are unable to distinguish between plans which are realizable and promises which cannot be fulfilled. For example, socialism promises greatly to increase the productive power of the nation, to shorten the hours of labor, and to insure a just distribution of wealth. These reforms, it is claimed, would be accompanied by the elimination of unemployment, poverty, vice, and attendant evils. It is maintained that socialism would encourage a higher moral tone and a healthier and more vigorous social life than now exist.

Without doubt these are desirable aims, but we must face the hard fact that socialism is not likely to attain them.. Some of the ills which socialism claims to be able to cure are neither attributable to capitalism, nor open to remedy by socialism. For example, crises and unemployment are often due to the alternations of good and bad harvests, to the varying degrees of severity in successive winters, to new mechanical inventions, and to changes in fashion. These forces are beyond the effective control of any state. This being so, it is unfair for socialists to attribute their evil effects to capitalism. It is likewise unwarranted that socialism should claim to be able

effectively to control these forces.

Other industrial evils are due to the infirmities of human nature, and to the fact that we are a highly civilized people living more and more under urban conditions. Crime, vice, and disease are grave social problems which demand solution, but it is unfair for socialism to charge these evils against capitalism. Such defects are due partly to the fact that we are human, and partly to the fact that much of modern life is highly artificial. Unless socialism contemplates a return to small, primitive communities, there is nothing to indicate that it would be able materially to reduce crime, vice, nervous strain, or ill-health. Indeed, there is no evidence to show that socialism could make as effective headway against these evils as we are making under capitalism.

164. DEFECTS OF SOCIALISM OUTWEIGH ITS MERITS.—It is only after the advantages of a system or an institution have been carefully weighed against its disadvantages that its value appears. A socialist system would have some obvious merits. It might eliminate unemployment, since everyone would be an employee of the state, and, as such, would be guaranteed against discharge. Charitable aid would probably be extended to many people now left to their own resources.

But certainly socialism could not cure ills which are due either to natural causes, or to the infirmities of human nature. The abolition of private initiative

and of private property would strike at the root of progress. Socialism would also probably give rise to a series of new problems, such as the evils arising out of a bureaucratic form of government. As its program now stands, it is probably fair to say that the defects of socialism greatly outweigh its merits.

165. SOCIALISM UNDER-RATES CAPITALISM.—The ardor of the socialist often causes him to underestimate the merits of capitalism, and to exaggerate its defects. The striking achievements of capitalism, so in contrast with the negative character of socialism, are not generally appreciated by the socialist. On the other hand, the socialist places an undue emphasis upon the defects of the present system. The radical agitator too often overlooks the millions of happy, prosperous homes in this and other countries; he too often sees capitalism in terms of poverty, crises, unemployment, vice, disease, and extravagance.

Our age is not to be despaired of. An age of progress is always an age of adaptation and of adjustment, and it is precisely because American democracy is both a progressive ideal and a living, growing institution that it is confronted with problems. The socialist indictment is not a prelude to chaos, for through the process of adjustment we are making steady progress in solving our problems. Capitalism has served us well, and though it has defects, these are clearly outweighed by its merits. So long as we know of no other system which would

work better, we are justified in retaining capitalism.

166. NECESSITY OF A DEFINITE PROGRAM OF INDUSTRIAL REFORM.—Socialism appeals to certain types of people because it offers a confident program, even though it is a mistaken and probably a dangerous program. And it is the almost universal failure of non-socialists to advance a substitute program that is responsible for a large share of the resentment which industrial evils have aroused among non- socialists. *If not socialism, what?* is the cry. We are challenged to move, to do something, to present a reform program which will justify the rejection of socialism.

Lest our survey of industrial reform seem negative and devoid of constructive elements, therefore, the next chapter will be devoted to what may be called a democratic program of industrial reform. The basic idea of this program is that poverty is as unnecessary as malaria or yellow fever, and that we can abolish poverty without sacrificing private property, personal initiative, or any of the other institutions which we hold dear.

QUESTIONS ON THE TEXT

1. What are some of the administrative difficulties which would confront a socialist state?

2. Why would socialism tend to give rise to a bureaucratic government?

3. In what way does socialism run counter to human nature?

4. In what way does the socialist differ from the non-socialist in his attitude toward the principle of self-interest?

5. In what way is the socialist theory of distribution unsound?

6. Demonstrate the unsoundness of the labor theory of value, with reference to three classes of goods.

7. How may we explain the socialist's tendency to overestimate the importance of labor, and to underestimate the value of other factors of production?

8. Explain clearly the statement that "history has disproved socialism."

9. In what way does socialism claim too much?

10. Name some industrial evils which socialism probably could not cure.

11. What is meant by the statement that "socialism under-rates capitalism"?

12. Why is it necessary for non-socialists to advance a program of industrial reform?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xvi.

Or all of the following:

2. Brasol, *Socialism versus Civilization*, chapter ii.

3. Bullock, *Selected Readings in Economics*, pages 681-705.

4. Ely, *Outlines of Economics*, chapter xxxi.

5. Le Rossignol, *Orthodox Socialism*, chapters viii and ix.

6. Skelton, *Socialism, a Critical Analysis*, chapter iii.

QUESTIONS ON THE REQUIRED READINGS

1. What is the "American conception of equality"? (Brasol, pages 75- 76.)

2. Why is the wage system a necessary feature of modern industrial life? (Brasol, page 93.)

3. What is the importance of the spirit of enterprise in increasing national wealth? (Brasol, page 99.)

4. What effect has the development of entrepreneur ability had upon the condition of the laboring classes? (Le Rossignol, pages 112-113.)

5. Could collective production be carried on in a democratic country? (Bullock, pages 682-683.)

6. Could socialism increase the productivity of the nation? (Bullock, pages 685-688.)

7. What are some of the difficulties which a socialist state would encounter in distributing wealth? (Bullock, pages 688-693.)

8. What difficulties would confront a socialist state in fixing wages? (Bullock, pages 696-705.)

9. What has been the effect of the Industrial Revolution upon the condition of the laboring classes? (Le Rossignol, pages 107-108.)

10. Explain why Marx's prediction of an increasing concentration of wealth in the hands of a few has not come true. (Le Rossignol, pages 128-130.)

11. To what extent is socialism too pessimistic about the present order? (Le Rossignol, page 138.)

12. To what extent does socialism overestimate industrial evils? (Skelton, page 53.)

13. What service has been rendered by socialism? (Ely, page 638.)

14. What, according to Skelton, is the fundamental error of socialism? (Skelton, pages 60-61.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a list of a number of familiar commodities, and divide them into three classes for the purpose of testing the error of the labor theory of value, and the truth of the scarcity-utility theory. (Consult Section 159.)

2. Make a study of unemployment in your locality, with particular reference to unemployment due to

(a) climatic changes,

(b) changes in fashion,

(c) accidents, such as fire, flood or earthquake.

3. Interview an elderly friend or relative, with the purpose of securing a definite idea of the condition of the working classes a half century ago. Contrast with the condition of the laborers to-day.

4. Make a list of the notable inventions of the nineteenth century. To what extent has each increased the productivity and well-being of the various occupational groups in your community?

II

5. History of socialism. (Consult an encyclopedia.)

6. Varieties of socialism. (Ely, *Outlines of Economics*, chapter xxx.)

7. The Iron Law of wages. (Le Rossignol, *Orthodox Socialism*, chapter iii.)

8. The socialist's attitude toward industrial crises. (Le Rossignol, *Orthodox Socialism*, chapter vi.)

9. Objections to the socialist's attitude toward production. (Ely, *Strength and Weakness of Socialism*, part iii, chapter vi.)

10. Objections to socialism as a scheme of distribution. (Ely, *Strength, and Weakness of Socialism*, part iii, chapter viii.)

11. Socialism and American ideals. (Myers, *Socialism and American Ideals*.)

12. Social justice without socialism. (Clark, *Social Justice without Socialism*.)

CHAPTER XVII

A DEMOCRATIC PROGRAM OF INDUSTRIAL REFORM

[Footnote: The title of this chapter, as well as the material in
Sections 170-175, has been adapted, by permission, from the writings
and lectures of Thomas Nixon Carver, Professor of Economics in Harvard
University.]

167. THERE IS NO SIMPLE REMEDY FOR THE DEFECTS OF CAPITALISM.—The economic system of a modern civilized nation is a vast and complicated affair, and its defects are both numerous and deep-lying. No one really familiar with the problem would propose so simple a remedy as socialism for so complex a disease as industrial maladjustment. History affords many examples of schemes that were designed to eliminate poverty from the world suddenly and completely, but no such scheme has succeeded.

Let it be understood at the outset of this chapter, therefore, that really to eliminate the basic defects of our industrial system we must resort to a series of comprehensive reforms rather than to a single scheme or theory. These reforms must be so wisely planned and so carefully executed as to attack the evils of capitalism from a number of angles simultaneously. The attack must be partly by legislative, and partly by non-legislative methods.

The series of reforms referred to above must have

three aims: first, to give every individual exactly what he earns; second, to make it possible for every individual to earn enough to support himself and his family at least decently; and third, to teach every individual to use wisely and economically the income which he receives.

A program embodying these three aims has the disadvantage of seeming commonplace and slow of fulfillment to those who prefer novel and sensational schemes, but it has the advantage of being both workable and safe.

168. THE NATURE OF JUSTICE.—Among the advocates of socialism the word "justice" is much used, but apparently little understood. Justice in industry implies that every individual shall receive precisely what he earns, no more, no less. If a monopolist secures unearned profits, there is injustice. If a laborer adds to the value of a product to the extent of five dollars, there is injustice if he receives less than five dollars in wages. Similarly, there is injustice if the laborer earns only four dollars, but receives five dollars. Wherever there is an unfair distribution of wealth, there is a double injustice: some individual gets a share of wealth which he did not earn and to which, therefore, he is not entitled; while the individual who did earn that wealth is deprived of it.

169. THE IMPORTANCE OF THIS.—All right-thinking reformers will agree with the socialist that

much or all of the unearned wealth of the moneyed classes ought to be taken for the benefit of the community. But he who accepts the democratic program of industrial reform will not sanction the socialist's proposal to eliminate poverty primarily by decreeing higher wages.

In the first place, this proposal of the socialist is unjust. A man who earns three dollars a day may not be able to live on that amount, and it may be desirable for some agency to give him more than three dollars a day. But that would be charity, not justice. It would be, as we have just seen, a double injustice.

In the second place, such a practice would lead inevitably to national bankruptcy. Under the competitive system, wages tend to be determined by productivity. To attempt to eradicate poverty primarily by the raising of wages is futile, for employers cannot long pay out in wages more than the laborer adds to the product. Some employers might do so for a long time, and all employers might do so for a short time, but if the practice were nation-wide and long-continued, it would result in economic ruin. To put a premium upon propagation by guaranteeing every man a job, and to pay him, not according to productivity, but according to need, would be equivalent to building up a gigantic charitable institution. Charity is a necessary and laudable function, but the proper care of the dependent classes is possible only when the majority

of the people are not only self-supporting, but actually produce a surplus out of which the unfortunate can be cared for. If applicants for charity too largely outnumber those producing a surplus, national bankruptcy results.

In the third place, an increase in wages might not benefit even those receiving higher wages unless they were able and willing to spend their income wisely and economically.

170. THE REDISTRIBUTION OF UNEARNED WEALTH.—The first step in our program is to apply the principle of justice to the problem of unearned wealth. The student should be careful at this point to distinguish between wealth which has been earned, however great, and wealth which has been acquired by unjust methods. American democracy will tolerate no interference with wealth which has been earned; on the other hand, it demands that unearned riches be redistributed in the form of services performed by the government for the people as a whole.

There are three chief methods of redistributing unearned wealth. The first is by means of increased taxes on land. As was pointed out in the chapter on single tax, that income from land which is due, not to the efforts of the owner, but either to natural fertility or to the growth of the community, may be considered as unearned. While the single tax is too drastic a reform, it is unquestioned that we need heavier taxes upon the unearned increment arising

from land.

A second method of redistributing unearned wealth is through the application of inheritance taxes. Reserving the whole problem of taxation for later discussion, [Footnote: See Chapter XXXII.] it may be said here that in many cases large sums are willed to individuals who have done little or nothing to deserve them. In so far as this is true, and in so far as such a tax does not discourage the activities of fortune builders, the inheritance tax is a desirable means of redistributing unearned wealth.

The last method of redistributing unearned wealth is by a tax on those elements in profits which are due to the abuse of monopoly conditions. [Footnote: Monopoly will be treated more fully in Chapters XXVII and XXVIII.] Complete monopoly rarely exists, but in many businesses there is an element of monopoly which allows the capitalist or entrepreneur to secure a measure of unearned wealth. In the interest of justice, much or all of this ought to be taken for the use of the community.

171. SOMETHING MORE THAN JUSTICE IS NECESSARY.—It is an error to suppose that justice would necessarily eliminate either low wages or poverty. As we have seen, justice would require the redistribution of a large amount of unearned wealth. But much more important is the question of large numbers of laborers whose wages are undesirably low. If the rule of justice were applied to this latter

class, that is, if they were given just what they earned, many would continue to be poor. Indeed, if justice were strictly administered, it is even possible that among a few groups poverty would increase, since some individuals are incapable of really earning the wages they now receive.

Something more than justice, therefore, is necessary. We must not only see that a man gets as much as he produces, no more, no less, but we must make it possible for every individual actually to produce or earn enough to support himself decently or comfortably. This, in essence, is the distinction between the socialist and the liberalist, *i.e.* he who accepts the democratic program of industrial reform: the socialist would practice injustice and invite economic ruin in a vain effort to eliminate poverty; the liberalist seeks the abolition of poverty without violating either justice or economic law.

172. WHY WAGES ARE LOW.—A little thought will show that directly or indirectly poverty is sometimes the result of low wages. It follows, thus, that the source of some poverty would be dried up if an increase in wages could be secured in an economical manner. To come to the heart of the problem, wages are low because productivity is low. That is to say, employers operating under conditions of free competition will pay laborers in proportion as the latter give promise of adding to the value of the product. When men are scarce, relatively to the supply of land and capital, the employer will be

justified in offering high wages, because under those circumstances the productivity of each of his prospective employees will be high. He will actually offer high wages, because if he does not, the laborers will tend to hire out to his competitors. But if laborers are plentiful, relatively to the supply of the other factors of production, the employer will be forced to offer lower wages, because under the circumstances each of the prospective employees shows promise of being able to add relatively little to the value of the product. In such a case, the employer will actually offer low wages because he need not fear that his competitors will hire all of the laborers applying for jobs.

Thus when laborers are plentiful, relatively to the demand, the automatic functioning of the law of supply and demand will result in low wages. We need not waste time debating whether or not there ought to be such a thing as the law of supply and demand; a far more profitable exercise is to recognize that such a law exists, and to consider how our program of industrial reform may be adapted to it.

173. AN ECONOMICAL REMEDY FOR LOW WAGES.—Low wages are generally the result of low productivity, and low productivity is in turn the result of an oversupply of laborers relatively to the demand. Granting the truth of these premises, an economical remedy for low wages involves two steps: first, the demand for labor [Footnote: By "labor" is

here meant those types of labor which are poorly paid, because oversupplied. Unskilled day labor is an example.] must be increased; and second, the supply of labor must be decreased. Any measure which will increase the demand for labor, relatively to the demand for the other factors of production, will increase the productivity of labor, and will justify the payment of higher wages. Competition between prospective employers will then actually force the payment of higher wages. Similarly, any measure which will decrease the supply of labor will strengthen the bargaining position of the laborer, and, other things remaining equal, will automatically increase wages.

174. INCREASING THE DEMAND FOR LABOR.—If we bear in mind that modern industry requires a combination of the various factors of production, it will be seen that the utilization of laborers depends upon the extent to which land, capital, and entrepreneur ability are present to combine with those laborers. Where there is a large supply of these factors, many laborers can be set to work. Thus one way of increasing the demand for labor is to increase the supply of land, capital, and entrepreneur ability.

The available supply of land can be increased by several methods. Irrigation, reclamation, and dry farming increase the available supply of farm land. The fertility of land may be retained and increased by manuring, rotation of crops, and careful husbandry. Improved agricultural machinery will

also enable land to be used in larger quantities and in more productive ways. And while we do not think of man as actually creating land, the draining of swamps and the filling in of low places increases the available amount of both farm and urban land. By whatever means the amount of available land is increased, the effect is to open more avenues to the employment of laborers.

The supply of capital may be increased chiefly by the practice of thrift among all classes of the population. Capital arises most rapidly when individuals produce as much as possible, and spend as little as possible for consumers' goods. Any measure which will discourage the well-to-do from wasteful or luxurious ways of living, and at the same time encourage the poor to save systematically, even though they save only a trifle, will add to the supply of available capital. Every increase in the supply of capital will enable more and more laborers to be set to work.

Entrepreneur ability may be increased by a variety of methods. The training of men for business callings increases the supply of entrepreneurs. Taxes on inheritances, excess profits, and the unearned increment of land will tend to force into productive work many capable men who now either idle away their lives, or retire from business prematurely. It is also important that the well-to-do classes be encouraged to rear larger families, since it is these classes which can best afford to give their children

the higher forms of training and education. Lastly, it is desirable to teach that leisure is disgraceful, and that whether one is rich or poor, the useful and productive life is the moral and patriotic life. "He who does less well than he can does ill."

175. DECREASING THE SUPPLY OF LABOR.—Hand in hand with measures deigned to increase the demand for labor should go consistent efforts to decrease the supply of unskilled and poorly paid labor. One of the most effective means of accomplishing this is to restrict by law the immigration to this country of masses of unskilled workers which glut the American labor market and force down the wages of unskilled workmen already here. The general problem of immigration will be discussed elsewhere; here it is only necessary to note that as an economic proposition unrestricted immigration is undesirable.

The supply of unskilled labor may be somewhat restricted by additional laws. It is clear that we ought to pass and enforce laws which would prevent the propagation of mental defectives. There ought also to be laws which would discourage the marriage of individuals who show no promise of being able to rear and support children who are physically fit. It might not be expedient to pass legislation requiring a certain minimum income of persons intending to marry, but from the purely economic point of view, such laws would certainly be advisable.

Much in this general field can be done by non-legislative methods. Young people can be taught the desirability of postponing marriage until their earnings justify the acceptance of such a responsibility. Just as the well-to-do should be encouraged to prefer family-building to social ambition, so the poorer classes ought to be encouraged to postpone marriage until, through education or training, the proper support of a family is assured. This end must be secured through moral and social education, rather than through legislation.

The encouragement of thrift among the poorer classes of the population is an important factor in decreasing the supply of unskilled labor. Thrift increases savings, and by making possible education or apprenticeship in a trade, it enables the children of the unskilled worker to pass from the ranks of the poorly paid to the ranks of the relatively well paid. Thus not only does the practice of thrift by the poor add to the amount of capital in existence, and thus indirectly increase the demand for labor, but it helps the poor directly and immediately.

Vocational education is of fundamental importance in decreasing the supply of unskilled labor. It renders higher wages economically justified by training individuals away from overcrowded and hence poorly paid jobs, and toward those positions in which men are scarce, and hence highly paid. If vocational education turns unskilled workmen into entrepreneurs, such education has the doubly

beneficial effect of lessening the supply of unskilled labor, and of increasing the demand for labor. The importance of trade schools, continuation schools, and other agencies of vocational education can hardly be exaggerated.

Employment bureaus and labor exchanges are essential to the democratic program of industrial reform. Just as vocational education must move individuals from overcrowded to undercrowded occupations, so the employment bureau should move laborers from places where they are relatively little wanted, and hence poorly paid, to places where they are relatively much wanted, and hence better paid. A co÷rdinated system of national, state, and municipal employment bureaus is a valuable part of our program of industrial reform.

176. IMPORTANCE OF PERSONAL EFFICIENCY.—We have seen that the bargaining position of the laborer may be strengthened by any and all measures which would increase the demand for his labor, relatively to the demand for the other factors of production. As a general proposition, this strengthened position would tend automatically to result in higher wages.

Along with these measures it should not be forgotten that the industrial position of the individual worker tends to improve in proportion as he increases his personal efficiency. It is of the greatest importance that the individual should strive

to secure as thorough an education as possible, and that he safeguard himself against accident and disease. He should realize, also, that employers seek men who are not only competent, but whose personal habits are attractive and trust-inspiring. Regardless of the scarcity or oversupply of labor, personal efficiency will tend to enable the worker to receive larger wages than would otherwise be possible.

177. SOMETHING MORE THAN HIGH WAGES IS NECESSARY.—We have taken some time to point out how wages might be increased without violating economic law. But high wages do not necessarily mean the abolition of poverty, indeed, actual investigations have proved that often poverty exists regardless of whether wages are high or low. A family of four, for example, might be well fed, comfortably clothed, and otherwise cared for in a normal manner, on, say, three dollars a day, provided that sum were utilized wisely. A second family of equal size, however, might spend six dollars a day so carelessly that the children would be denied such vital necessities as medical attention and elementary education, while neither parents nor children would be adequately provided with food or clothing.

178. INCOME MUST BE UTILIZED WISELY.—Thus an indispensable factor in the abolition of poverty is the economical utilization of income. Aside from the fact that it increases the amount of capital in

existence, thrift is imperative if a family is to get the full benefit of its income. In both the home and the school the child should be taught the proper care and utilization of money. He should receive, in addition, fundamental instruction in such matters as expense-accounting and budget-making. Of similarly great value is the training of boys and girls to a proper appreciation of the home-making ideal, to which subject we shall return later. [Footnote: See Chapter XXIII.]

It is fortunate that we are directing more and more attention to these and similar measures, for they strike at the heart of one of the great causes of poverty—the inability of the individual to make the proper use of his income. Unless our citizens are trained to spend money wisely, and to distinguish clearly between the relative values of services and commodities, an increase in wages will never eliminate malnutrition, illiteracy, and other elements of poverty.

179. SUMMARY.—For the sake of clearness, let us summarize the essential features of the democratic program of industrial reform.

The first aim of this program is to give every individual precisely what he earns, no more, no less. Applying the principle of justice would result in heavy taxes on unearned wealth secured through inheritance, or as rent from land, or as monopoly profits.

The second aim of our program arises from the fact that justice might not improve the condition of the laboring class, since some laborers manifestly could not earn enough to support themselves and their families decently.

In addition to administering justice, therefore, we must put the individual in a position to earn an amount adequate to his needs. This involves two lines of action: first, the bargaining position of the laborer must be strengthened by measures designed to increase the demand for his labor, relatively to the demand for the other factors of production; second, increasing the personal efficiency of the worker will render him more attractive to the employer.

The third aim of the democratic program of industrial reform is to teach the individual to use his income wisely and economically. Only after this has been done can we be assured that the raising of wages will materially improve the condition of the worker.

180. SOCIAL PROBLEMS.—There is an important word to be said here. The democratic program of industrial reform is economically sound, and ultimately it would eliminate poverty. But it is not an immediate cure for all of the social and economic ills of American democracy. There will long continue to be persons whom no amount of care can render capable of earning enough to support themselves. There are many other individuals who may

ultimately become self-supporting, but who for some time to come will need special care and attention. There are, lastly, many other individuals who are partially or entirely self- supporting,—women and children, for example,—but whose social and economic interests need to be safeguarded by legislation. The democratic program of industrial reform could ultimately eliminate many of the basic social problems now confronting us; meantime we are under the necessity of grappling with such questions as labor disputes, the risks of industry, crime, and dependency. Indeed, no matter how vigorously and intelligently we attack the defects of capitalism, it is probable that we shall always have to face grave social problems. Part III of the text will accordingly be devoted to a consideration of American social problems.

QUESTIONS ON THE TEXT

1. Why is there no simple remedy for the defects of capitalism?

2. What are the three aims of the program advanced in this chapter?

3. What is the nature of justice?

4. In what sense is an unfair distribution of wealth a double injustice?

5. Under what conditions would the raising of

wages tend to result in national bankruptcy?

6. What are the three chief methods of redistributing unearned wealth?

7. Why does the elimination of poverty demand something more than justice?

8. What is the fundamental cause of low wages? Explain clearly.

9. What is an economical remedy for low wages?

10. Why will higher wages result from an increase in the demand for labor?

11. By what three methods may the demand for labor be increased?

12. Name some of the methods whereby the supply of labor may be decreased.

13. What is the importance of personal efficiency in our program?

14. What is the relation of wages to poverty?

15. What is the importance of an economical utilization of income?

16. Summarize the argument in this chapter.

17. Why is the program outlined not an immediate panacea for all social and economic ills?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xvii. Or all of the following:

2. Carver, *Elementary Economics*, chapters xiv, xxix, xxxi, and xivii.

3. Carver, *Essays in Social Justice*, chapter i.

QUESTIONS ON THE REQUIRED READINGS

1. Why does the need for justice arise? (*Essays*, page 3.)

2. What is the first duty of the state? (*Essays*, page 9.)

3. What is moral law? (*Essays*, page 23.)

4. What is the relation of meekness to national strength? (*Essays*, pages 33-34.)

5. What is meant by a "balanced nation"? (*Elementary Economics*, pages 118-119.)

6. What is the aim of balancing a population? (*Elementary Economics*, page 119.)

7. Name an important method of securing this balance. (*Elementary Economics*, pages 119-120.)

8. What classes of the population multiply the least rapidly? Why is this undesirable? (*Elementary*

Economics, page 120.)

9. What is the object of the "geographical redistribution of population"? (*Elementary Economics*, page 120.)

10. Explain the working of the "law of variable proportions" in industry. (*Elementary Economics*, pages 258-260.)

11. Why are there differences of wages in different occupations? (*Elementary Economics*, page 268.)

12. What is the "law of population"? (*Elementary Economics*, page 273.)

13. What is the effect of immigration upon wages? (*Elementary Economics*, pages 273-274.)

14. What are the two ways of getting men to do what is necessary for the prosperity of the nation? Of these two ways, which is preferable? (*Elementary Economics*, pages 387-388.)

15. What are the dangers of freedom? (*Elementary Economics*, pages 389-390.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a study of the occupational groups in your locality for the purpose of discovering which of these

groups receive the lowest wages. Can you connect the fact that they receive low wages with their numerical strength?

2. Is the supply of unskilled labor in your community affected by European immigration? If so, attempt to trace the relation of this immigration to low wages in your community.

3. What classes of workmen receive the highest wages in your locality? What is the relation of these high wages to the restricted number of this type of workman?

4. Study the methods by means of which land in your locality is utilized. In what ways, if in any, could various plots be made to employ more laborers?

5. By what means could the supply of capital in your locality be increased? In what ways might this increased supply of capital be utilized? To what extent would the utilization of this increased supply of capital justify the employment of additional laborers?

6. Do you believe that your community needs more entrepreneurs? What reason have you for believing that a training school for the technical professions would increase the productivity of your community?

7. Write to the Bureau of Education in your state

for data relative to the status of vocational education in your commonwealth.

8. Interview one or more officials of a bank in your community for the purpose of learning of the ways in which banks encourage thrift.

9. Write to the Bureau of Labor Statistics in your state for information relative to the status of public employment bureaus in your commonwealth.

II

10. Causes of inequality. (Taussig, *Principles of Economics*, vol. ii, chapter liv.)

11. The Malthusian doctrine. (Malthus' *Essay on Population*. If this essay is not available, consult an encyclopedia under "Malthus.")

12. The principle of self-interest. (Carver, *Essays in Social Justice*, chapter iii.)

13. How much is a man worth? (Carver, *Essays in Social Justice*, chapter vii.)

14. Causes of the scarcity of labor. (Carver, *Elementary Economics*, pages 269-271.)

15. The importance of consumption. (Carver, *Elementary Economics*, chapters xxxviii and xxxix.)

16. Importance of thrift. (*Annals*, vol. lxxxvii,

pages 4-8.)

17. Luxury. (Carver, *Elementary Economics*, chapter xl.)

18. Choosing a vocation. (Parsons, *Choosing a Vocation*.)

PART III—AMERICAN SOCIAL PROBLEMS

CHAPTER XVIII

INDUSTRIAL RELATIONS

181. LABOR AND CAPITAL.—Strictly speaking, five distinct factors are involved in production: land, labor, capital, co÷rdination, and government. As a matter of fact, we are accustomed to speak of the immediate conduct of industry as involving only two factors: labor and capital. Used in this sense, the term labor refers to the masses of hired workmen, while the term capital is held to include not only the individual who has money to invest, *i.e.* the capitalist proper, but also the entrepreneur, or managing

employer.

Labor and capital co÷perate actively in production, while the other factors remain somewhat in the background. As we have seen, both labor and capital are essential to industry, and fundamentally their interests are reciprocal. But in spite of this basic harmony, there are many points of difference and antagonism between labor and capital. This chapter discusses the more important of these disagreements, and outlines some suggested methods of reducing or eliminating them.

182. THE FACTORY SYSTEM AND THE LABORER. —Wherever it has penetrated, the Industrial Revolution has concentrated large numbers of landless laborers in industrial establishments controlled by relatively few employers. Very early in the development of the factory system, the laborer saw that he was at a relative disadvantage in bargaining with employers. Not only does the average laborer lack funds to tide him over a long period of unemployment, but the fact that his labor is generally his sole reliance obliges him to secure work at all hazards. The anxiety and discontent of laborers have been increased by the realization that the factory system affords little opportunity for the average workman to rise to the position of an employer. Most laborers are unable to secure either the training or the capital necessary to set themselves up as independent business men.

183. RISE OF LABOR ORGANIZATIONS.—The risks and limitations which the factory system imposes upon the laboring classes have encouraged workmen to organize for the purpose of promoting their mutual interests. The individual gains, it has been found, when his interests are supported by a group of workmen acting as a unit, and bringing their united pressure to bear upon the employer. The labor organization has been the result of this discovery. A labor organization may be defined as a more or less permanent and continuous association of wage earners, entered into for the purpose of improving the conditions of their employment.

The first labor organizations in the United States were formed early in the nineteenth century, but it was not until about 1850 that the trade union assumed national importance. After 1850, however, and particularly after the Civil War, the trade union grew rapidly. In 1881 a number of national trade unions combined to form the American Federation of Labor. This body, while exercising no real authority over the trade unions comprising it, is nevertheless an important agency in co÷rdinating trade union policies throughout the country. It is important, also, as a means of formulating and expressing the aims and ideals of the working classes. The Federation had a membership of 2,604,701 in 1914, and in 1920 included more than 4,500,000 members. With the exception of the railroad brotherhoods, nearly all of the important trade unions in the country are

affiliated with the American Federation of Labor.

184. RISE OF EMPLOYERS' ASSOCIATIONS.—The growing power of the trade union after 1850 stimulated the growth of employers' associations. In 1886 the first national employers' association was organized under the name of the Stove Founders' National Defence Association. Later there was formed a number of other important associations, including the National Association of Manufacturers, the National Council for Industrial Defence, and the American Anti-Boycott Association.

The primary purpose of the employers' association is the protection of the employers' interests against trade union aggression. Some of the associations are frankly hostile to the trade union movement, while others take the stand that the organization of laborers is undesirable only if the power of the trade union is abused. The promotion of friendly relations between labor and capital is increasingly an important concern of the employers' association.

185. WHAT THE TRADE UNION WANTS.—One of the basic aims of the trade union is either to raise wages or to prevent their reduction. Because of the constant shiftings of supply and demand, the prices of commodities are rarely stationary for very long. Over any extended period of time prices are either rising or falling. During a period of rising prices the workmen are at a relative disadvantage, [Footnote: Rising prices affect all who purchase commodities, of

course, but here we are intent upon the position of the laborer only.] because they have to pay for commodities higher prices than they had anticipated when they contracted to work for a definite wage. In such a case, the union attempts to secure higher wages for its members. When, on the other hand, prices are falling, the workmen gain, because they do not have to pay as high prices as they had anticipated. In this latter case, the laborers attempt to maintain their advantage by opposing any reduction in wages.

The desire of the trade unions to improve the general condition of the working classes has steadily widened the program of organized labor. Shorter hours and better conditions of work are important trade union demands. Unions quite generally approve the principle of a minimum wage, [Footnote: The principle of the minimum wage is discussed in the next chapter, Sections 205-207.] at least for women and child workers. Formerly, and to some extent even now, the unions have opposed the introduction of labor-saving machinery on the grounds that it displaces workmen and hence causes unemployment. Union members generally prefer to be paid by the hour or by the day, rather than so much per unit of product. The reason given for the preference is that strain and undue fatigue often result from *piece-work,* as the system of pay on the basis of units of product is called. Trade unions universally demand that employers recognize the

principle of collective bargaining, by which is meant the privilege of workmen dealing with the employer collectively or through the union. Very often, also, the unions demand the closed shop, that is to say, a shop from which all non-union employees are excluded.

186. WHAT THE EMPLOYER WANTS.—Price movements likewise affect the employer. But whereas the laborer is at a relative disadvantage when prices are rising, the employer tends to gain, for the reason that he secures for his product higher prices than he had expected. [Footnote: In a period of rising prices, the employer's costs also tend to rise, but generally not so rapidly as do prices.] Suppose, for example that a shoe manufacturer can make a profit if a pair of shoes sells for $4.00. If later the price rises to $5.00 and his expenses remain stationary or very nearly so, he reaps an unusually large profit. And whereas in a period of falling prices the laborer tends to gain, the employer often loses heavily, for the reason that he must sell at a relatively low price goods produced at a relatively high cost. If, in the case given above, the price of the pair of shoes falls from $4.00 to $3.00, while the expenses of the manufacturer remain stationary, or very nearly so, he may make little or no profit. Thus while prices are rising the employer attempts to maintain his advantage by resisting an increase in wages, while in a period of falling prices he seeks to cut down his expenses by reducing wages. In either

case the immediate interests of workmen and employer are antagonistic.

Just as the growing complexity of the industrial situation has enlarged the trade union program, so the aims of employers have steadily increased in number and in importance. On the grounds that it restricts the fullest utilization of his plant, the employer very often objects to a shortening of the working day, even where there is a corresponding decrease in the day-wage. Some employers are unwilling to provide sanitary workshops for their employees, or otherwise to improve the conditions of employment. The employer generally objects to the minimum wage, as constituting an interference with his "right" to offer workmen what wages he chooses. Collective bargaining is accepted by many employers, but many others insist upon the right to hire and discharge men as they see fit, without being forced to consider the wishes of the union. Employers often oppose the closed shop, and insist upon the open shop, an open shop being defined as one in which workmen are employed without regard to whether or not they are members of a union.

187. METHODS OF INDUSTRIAL WARFARE.—Both capital and labor back up their demands by a powerful organization using a variety of weapons. The trade union generally attempts to enforce its demands by threat of, or use of, the *strike*. A strike is a concerted stoppage of work initiated by the workmen as a group. Sometimes accompanying the

strike is the *boycott*, which may be defined as a concerted avoidance of business relations with one or more employers, or with those who sympathize with those employers. The strike is generally accompanied by the practice of *picketing*, by which is meant the posting of union agents whose duty it is to attempt to persuade non-union workmen not to fill the places of the striking workmen. Pickets may also attempt to persuade customers not to patronize the employer against whom a strike has been launched. Sometimes picketing leads to *intimidation and violence* on the part of either strikers or representatives of the employers.

In turn, the employer may employ a variety of weapons against workmen with whom he cannot agree. An employer may make use of the *lockout*, that is, he may refuse to allow his labor force to continue at work. Many employers also use the *blacklist*, *i.e.* the circulation of information among employers for the purpose of forewarning one another against the employment of certain designated workmen. The employer may also attempt to end a strike by persuading non-union men to fill the places vacated by the strikers. Such men as accept are known as *strike-breakers*. On the plea that the strike may result in the destruction of his property, the employer may resort to the *injunction*. This is an order secured from a court, and restraining certain laborers in the employer's interest.

188. THE COST OF INDUSTRIAL WARFARE.—The

struggles of labor against capital constitute a species of warfare which involves the general public. Regardless of whether a particular dispute ends in favor of the laborers or the employer, every strike, lockout, or other interference with industrial co÷peration lessens the amount of consumable goods in existence. Thus aside from the fact that industrial warfare encourages class antagonisms, it is an important cause of the relative scarcity of goods, and the resulting tendency of prices to rise. Often great injury results from a dispute which originally was of small proportions. In 1902, for example, the anthracite coal strike cost the country more than $100,000,000, though the strike had been initiated because of a local dispute over recognition of the union. In 1919, when we were suffering from a general scarcity of goods, there occurred in this country more than three thousand strikes, involving a loss of more than $2,000,000,000 in decreased production.

189. NECESSITY OF INDUSTRIAL PEACE.—Industrial warfare very often results in the correction of abuses, but in many cases it seems to bring little or no benefit to either labor or capital. In any case, it is a costly method, and one which constitutes a menace to the peace of the community. American democracy demands that in the settlement of disputes between labor and capital, industrial warfare be replaced by some method less costly, less violent, and more in harmony with the principles of

justice and civilized behavior. Responsibility for the present extent of industrial warfare cannot definitely be placed upon either capital or labor, but at least both sides should be obliged to recognize that the public is a third party to every industrial dispute. We should insist upon fair play for both capital and labor, but we should likewise insist that the interests of the public be safeguarded.

190. SOME METHODS OF INDUSTRIAL PEACE.—As has already been pointed out, profit sharing is not of great importance in lessening industrial unrest. Various systems of bonuses and pensions have temporarily improved the position of some groups of workmen, but experience has proven both bonuses and pensions to be limited in scope. Employers are often unwilling to adopt such devices as these, while the laborers frequently regard them as paternalistic measures which at best are a poor substitute for the higher wages to which they consider themselves entitled. Existing evils are often lessened by welfare work, which includes such measures as the establishment of schools, libraries, and playgrounds for the laborers. But in many cases welfare work is initiated by the employer for the purpose of diverting the attention of the workmen from their fundamental grievances, and for this reason it is often opposed by the workmen. All of the measures enumerated in this section are of more or less value, but as methods of combating industrial warfare, they have proved to be palliative, rather than remedial or preventive.

191. THE TRADE AGREEMENT.—In some industries there is a growing tendency for employers not only to recognize the union, but also to make a collective contract, or trade agreement, with the unionized workmen. The trade agreement may lead to the formation of councils in which representatives of both workmen and employer attempt to reach a friendly agreement upon disputed matters. The trade agreement has been particularly successful in many industries in England. In this country it is best known in the soft coal mining industry in eastern United States, and in the needle trades of New York City. On the whole, the trade agreement has not been markedly successful in the United States. Although it smoothes out minor differences, the unions still prefer to back their more important demands by use of the strike.

192. VOLUNTARY ARBITRATION.—Since 1898 the several states have been giving an increasing amount of attention to the creation of boards of industrial conciliation, mediation, and arbitration. [Footnote: The words conciliation, mediation, and arbitration are variously used, but the following distinction may be of use. Mediation is an attempt to get the disputants to come together for the purpose of discussing their grievances. Conciliation is aid extended to the disputants in the actual settlement of the dispute. Arbitration implies that a third party settles the dispute and renders a decision.] Most states now have some provision for a board whose

duty it is to attempt to eliminate industrial warfare. The powers and duties of these boards vary from state to state. In some states the board may investigate labor disputes on its own initiative, but it is not obliged to make an investigation. In other states the investigation of industrial disputes is compulsory.

Boards of the type discussed in this section have no power to *compel* the disputants to arbitrate their troubles, though they may *persuade* the parties involved to resort to arbitration. When the disputants agree to allow the state board to arbitrate the dispute, and when also they previously promise to abide by the decision of the board, the award of the state board is binding upon both sides. When the parties to the dispute have not previously agreed to abide by the award, the board cannot force an acceptance of its decision, but can only rely upon public sentiment to help effect a just settlement.

193. COMPULSORY ARBITRATION IN NEW ZEALAND AND AUSTRALIA.—The frequent refusal of labor and capital willingly to submit their differences to arbitration has led to the development of the principle of compulsory arbitration.

In New Zealand, compulsory arbitration was adopted as early as 1894. In that country the arbitrating body is known as the court of arbitration, the decisions of which are absolute and binding. At the discretion of the court, the awards handed down

may be extended to embrace other employees or employers in the same trade, or in the same locality, or in the whole country. Violations of the award, either by labor or by capital, are punishable by heavy fines. An even more drastic form of compulsory arbitration has been adopted in Australia.

Due to the influence of many complicating factors, the status of compulsory arbitration in these two countries is uncertain. Many students of the question maintain that this form of arbitration has materially reduced industrial warfare; on the other hand, other authorities declare that compulsory arbitration in New Zealand and Australia has not markedly improved industrial relations.

194. COMPULSORY ARBITRATION IN THE UNITED STATES.—Although the principle of compulsory arbitration has been familiar to American students of labor problems for more than a quarter of a century, there is as yet very little sentiment in favor of its application to industrial disputes in this country. The explanation of this is not far to seek. Individualism is so strong in the United States that compulsory arbitration is regarded by many Americans as an unwarranted interference in private business. It is still generally true that both labor and capital prefer to settle their disputes in open struggle. Equally important, perhaps, is the feeling that compulsory arbitration laws would nullify the constitutional guarantee that no citizen

shall be deprived of life, liberty, or property without due process of law. [Footnote: For an explanation of this point, see Chapter XIX, Section 214.]

However, a definite step toward compulsory arbitration was taken when in 1920 the State of Kansas established a Court of Industrial Relations "for the purpose of preserving the public peace, protecting the public health, preventing industrial strife, disorder, and waste, and securing regular and orderly conduct of the businesses directly affecting the living conditions of the people." The law of 1920 declared illegal the suspension of work in those industries which are designated as essential and necessary to the community life. Industrial disputes arising in such industries are subject to compulsory arbitration by the court. The merits of this court are still being debated. Some authorities declare that the court has already demonstrated its value, but other observers claim that so far this tribunal has not operated to reduce labor troubles in Kansas.

195. STATUS OF THE DEMANDS OF LABOR.—For a number of years the attitude of labor has been clearly aggressive, while the attitude of capital has tended to be one of resistance. In view of this fact, the simplest way of considering the merits of the industrial situation is to examine the demands of labor. The justice of these demands cannot be gone into here, but a few words of general application may be helpful.

The proper determination of wages depends, of course, upon the particular circumstances. No general rule can be laid down, except the very obvious one that wages cannot permanently go so high as to wipe out profits in an industry, nor yet so low as to render it impossible for the workmen to secure a decent living.

The steady improvement of living and working conditions is desirable, and is a challenge to any progressive society.

Shorter work hours are desirable, wherever the cutting down of the working day does not too greatly hamper production. Many economists feel that an eight-hour day will prove a social gain only if introduced gradually. They believe that it should be introduced in proportion as the industrial productivity of the country increases to compensate for the shortening of the working day.

Opposition to the introduction of labor-saving machinery is both useless and short-sighted. The officials of most unions now advise workmen not to oppose the adoption of machinery, but rather to fit themselves to operate the machines.

The question of a closed shop or an open shop is largely a matter of opinion. The problem will probably continue to be disputed for a long time to come. Many students of labor conditions feel that the closed shop is justifiable only when accompanied by

the open union. By an open union is meant a union into which all laborers competent to do the work are admitted freely. Where the open union principle is adopted, Professor Taussig points out, the closed shop is no longer a monopolistic device to shut out competition and raise wages for a small group. It becomes, instead, a means of promoting mutual aid and collective bargaining.

Many employers still refuse to recognize the principle of collective bargaining, but from the social point of view collective bargaining is desirable. In many cases it so strengthens the position of the laborers that they are able to compete with the employer more nearly on terms of equality. Under such conditions competition in the labor market is in a healthy state. The difficulty is, of course, that some unions may take advantage of their strengthened position to enforce unduly severe conditions upon the employer.

196. THE OUTLOOK.—Although it is probable that industrial disagreements will long endure, we have a right to expect that continued progress will be made in settling these disputes peaceably. By many it is believed that compulsory arbitration is the most effective method of securing industrial peace, but for reasons already given, the extension of this form of arbitration will probably be slow in this country. English experience would indicate that we have not yet exhausted the possibilities of the trade agreement, but though this device is becoming better

known in the United States, both the American laborer and the American employer are still disposed to settle their differences by means of the strike, the lockout, and similar weapons.

The present century is an age of industrial stress and change, and it is possible that the ultimate solution of the disputes between labor and capital has not yet been advanced. From the data now at hand, however, it is maintained by many that labor disputes must ultimately be eradicated through the development of industrial democracy. Industrial democracy implies the joint direction of industrial policies by employer and employees, working together harmoniously and in the spirit of equality. When industrial democracy is attained, according to this view, mutual trust and the spirit of friendly co÷peration will enable labor and capital to adjust their differences peaceably and economically, without dictation from any outside source.

QUESTIONS ON THE TEXT

1. Why are we accustomed to speak of labor and capital as the two chief factors in production?

2. Why have labor organizations arisen?

3. Name some employers' associations.

4. Contrast the aims of the union with the aims of the employers' association.

5. Discuss the methods of industrial warfare.

6. Why is industrial warfare undesirable?

7. What is the attitude of American democracy toward industrial warfare?

8. Name some minor methods of industrial peace.

9. Discuss the character of the trade agreement.

10. Distinguish between conciliation, mediation, and arbitration.

11. Discuss compulsory arbitration in New Zealand and Australia.

12. What is the significance of the Kansas Court of Industrial Relations?

13. What is the outlook for industrial peace in this country?

14. Define industrial democracy.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xviii.

Or all of the following:

2. Bullock, *Elements of Economics*, chapter xiii.

3. Carlton, *History and Problems of Organized Labor*, chapter v.

4. Ely, *Outlines of Economics*, chapter xxii.

5. Fetter, *Modern Economic Problems*, chapter xx.

QUESTIONS ON THE REQUIRED READINGS

1. What are the three types of labor organizations? (Fetter, page 299.)

2. Who were the Knights of Labor? (Bullock, page 316.)

3. What is the economic justification of the trade union? (Ely, pages 445-446.)

4. Outline the history of the American Federation of Labor. (Carlton, pages 74-82.)

5. What are some of the secondary functions of the trade union? (Fetter, pages 298-299.)

6. Among what groups of workers is the trade union strong? Among what groups is it weak? (Fetter, page 300.)

7. What effect has unionism had upon wages? (Fetter, pages 306-307.)

8. What is meant by limitation of output? (Ely, pages 449-450.)

9. What is a standard wage? (Bullock, pages 320-321.)

10. What is the legal status of the strike? (Bullock, pages 328-329.)

11. What is scientific management? (Bullock, pages 339-340.)

12. What will probably be the future development of the trade union? (Ely, pages 468-469.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Origin and growth of the trade union movement in your section.

2. Select some one trade union for study. Obtain information on the following points, either by means of literature issued by the union, or by personal interview with union officials:

(a) Aims of the union.

(b) Insurance benefits.

(c) Political activities of the union.

(d) Strike procedure.

(e) Attitude toward arbitration.

3. Select for study an employers' association in your locality. Obtain information on the following points. (If no association is available, consult a friendly employer):

(a) Attitude of the employer toward the trade union movement.

(b) Attitude toward the closed shop.

(c) What the employer does when a strike is launched against him.

(d) Use of the injunction.

(e) Attitude of the employer toward arbitration.

4. If possible, investigate an actual strike and report upon it.

5. The laws of your state with regard to mediation, conciliation, and arbitration. Do you think further legislation on this subject is advisable?

II

6. History of the trade union movement in the United States. (Consult any available text on labor problems. See also Carlton, *Organized Labor in American History*.)

7. The Knights of Labor. (Any standard text on labor problems, or an encyclopedia.)

8. Trade union policies. (*Bullock, Selected Readings in Economics*, pages 589-613.)

9. Program of the American Federation of Labor. (Any standard text on labor problems, or an encyclopedia.)

10. The theory of price changes. (Taussig, *Principles of Economics*, vol. i, chapter xxii.)

11. The problem of adjusting wages to prices. (Bloomfield, *Selected Articles on Problems of Labor*, pages 56-75.)

12. Reducing the labor turnover. (*Annals*, vol. ixxi, pages 1-81.)

13. Scientific management. (Any standard text on labor problems. See also Hoxie, *Scientific Management and Labor*.)

14. Incorporation of the trade union. (Bloomfield, *Selected Articles on Problems of Labor*, pages 262-267. Commons, *Trade Unionism and Labor Problems*, chapter vi.)

15. Employers' associations. (Any standard text on labor problems.)

16. Principles of industrial relations, as formulated by the Chamber of Commerce of the United States of America. (Write to the Chamber's headquarters, Washington, D. C., for copies. Also reprinted in Edie,

Current Social and Industrial Forces, pages 346-381.)

FOR CLASSROOM DISCUSSION

17. Closed shop versus open shop.

18. Should trade unions be obliged to incorporate?

19. To what extent does compulsory arbitration constitute an unwarranted interference in private business?

20. The shortening of the working day.

21. Effect of the World War upon relations between labor and capital.

CHAPTER XIX

HEALTH IN INDUSTRY

197. INDUSTRY AND HEALTH.—Wherever the Industrial Revolution has progressed beyond the initial stages, there has been an enormous increase in wealth and prosperity. At the same time, serious evils have accompanied the transition from a

relatively simple agricultural stage to a stage dominated by the factory system. The tendency toward overcrowding in rapidly growing cities, the difficulties of maintaining a normal family life where mother or children are employed in factories, and the danger of overstrain, accident and disease in industrial pursuits, all these factors render very important the problem of health in industry.

Though health in industry is only one phase of the general problem of health, it will be impossible here to exhaust even that one phase. We shall accordingly confine ourselves to the discussion of three questions: first, child labor; second, the employment of women in industrial pursuits; and third, the insurance of our industrial population against accident, sickness, old age and unemployment.

198. CHILD LABOR: EXTENT AND CAUSES.—There are in this country more than two million children between the ages of ten and fifteen, engaged in gainful occupations. In all sections of the country large numbers of children are found in agriculture, this industry generally being beyond the scope of child labor laws. The employment of children in factories, mines, quarries, mills, and shops, on the other hand, is now considerably restricted by law. This is true of all parts of the country. However, child labor is still of wide extent in the United States, due to the large number of children found in agriculture, domestic service, street trades, stores, messenger service, and tenement homework.

Of the immediate causes of child labor one of the most important is the poverty of the parents. Where the parents are themselves day laborers, it is often considered necessary or desirable to increase the family earnings by putting the children to work.

From the standpoint of the employer child labor is rendered possible and even desirable by the development of types of work easily performed by small children. In many cases the tendency of parents to put young children to work is encouraged by the lax administration of school attendance laws. This tendency has also been encouraged by the indifference of the public to the evil effects of child labor.

199. EFFECTS OF CHILD LABOR.—Students of the problem of child labor unanimously condemn the practice of habitually employing young children outside the home. Where poorly paid children compete with men and women, they serve either to displace adults, or, by competition, to lower the wages of adults.

The effects upon the children themselves are injurious. Stunted, crippled, and diseased bodies are the result of steady work at too tender an age. Schooling is interrupted, so that child workers generally develop into illiterate and inefficient adults. When children are forced into gainful occupations at an early age, the family life is disrupted, and proper home training is difficult, if

not impossible. Still another factor is the greater temptation to vice and crime confronting the child outside the home.

200. CHILD LABOR LAWS.—Since 1870 the growing acuteness of the child labor problem, together with an aroused public opinion, has served to increase the number of laws restricting child labor. At the present time, forty-five states forbid the employment in certain industries of children under fourteen years of age.

A Federal child labor law was passed in 1916, but two years later the measure was declared unconstitutional by the Supreme Court. [Footnote: For an explanation of this point, see Section 214 of this chapter.] In 1919 a new Federal law was enacted. In order to avoid the charge of unconstitutionality, this measure attacks child labor *indirectly*. The law levies an excise tax of ten per cent on the entire net profits received from the sale of all the products of any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment, which employs children contrary to certain age and hour specifications. The effect of this ten per cent tax is so to reduce the profits of the employers affected, as virtually to prohibit child labor. By this means the act prohibits child labor in several important groups of industrial establishments.

The difficulty with the law is that it touches only about fifteen per cent of our two million child

workers. It does not affect, for example, the large number of children employed in agriculture, domestic service, street trades, stores and restaurants, messenger service, and tenement homework.

201. MINIMUM PROVISIONS OF A GOOD CHILD LABOR LAW.—The passage of more comprehensive child labor laws is being advocated by a number of social agencies, notably by the National Child Labor Committee. The minimum provisions of a good child labor law have been set forth by the committee somewhat as follows:

As a general proposition, no child should be regularly employed in a gainful occupation who is under sixteen years of age. There should be an even higher age limit for child workers in quarries, mines, and other dangerous places. Children should not work more than eight hours a day. Nor should they be allowed to engage in night work until they have reached the age of, say, twenty years. All child applicants for industrial positions should first be required to pass educational tests and a physical examination. A good child labor law should provide for a corps of factory inspectors, as well as for other means of securing the efficient administration of the law. Lastly, it is important that there be close co÷peration between employers and the school authorities in the matter of child labor.

202. INCREASED NUMBER OF WOMEN IN

INDUSTRY.—There have always been women in industry, but of recent years the proportion of women so engaged has increased so rapidly as to create a serious social problem. From needlework, domestic service, and teaching, women have spread rapidly into trade, commerce, and the professions. A few years ago transportation and police work were monopolized by men, but to-day women are entering these fields rapidly. Though they outnumber men only in domestic and personal service, women are numerous in practically every important calling except plumbing and street cleaning. Altogether more than 8,000,000 women are engaged in gainful occupations in the United States.

203. WHY WOMEN RECEIVE LOWER WAGES THAN MEN.—Women generally receive lower wages than men. One reason for this is the physical weakness of women, which renders them less desirable in many types of work. Social conventions, home attachments, and, often, the lack of the venturesome spirit, combine to keep women from moving about in search of improved working conditions to the same extent as men. The expectation of marriage causes many young women to neglect to increase their efficiency, and this at least prevents their wages from increasing as rapidly as those of young men who undergo consistent training. The trade union is still little developed among women workers, a factor which often prevents higher wages from being secured. Low

wages are often traceable to the fact that there is an over supply of girls and women in the labor market. Large numbers of girls and women are partially supported at home, and are able and willing to work for "pin-money" only. Many employers take advantage of this fact to offer very low wages.

204. LEGISLATION REGULATING THE LABOR OF WOMEN.—Although it would seem desirable to keep young children out of industry altogether, there is a general agreement among students of the problem that the labor of women ought to be further regulated rather than actually prohibited. A number of states have already enacted laws designed to safeguard women in industry. In some states the number of working hours for women has been cut from eleven to nine, while in other states the maximum number of hours during which women may work is eight. Some states prohibit night work for women in industrial establishments. The great majority of the states now provide for proper rest periods, guarded machinery, the ventilation of workrooms, and, where practicable, seats for women employees. To the extent that women actually do the same amount and quality of work as men, there is a growing feeling that men and women ought to receive equal pay.

205. THE MINIMUM WAGE.—A minimum wage law is one which specifies that in certain occupations laborers may not be paid less than a stipulated wage. The aim of the minimum wage is to protect the

laborer against employment which, under freely competitive conditions, does not pay wages high enough to guarantee a decent living.

The first minimum wage law in the United States was passed by Massachusetts in 1912. The movement grew rapidly, and by 1921 more than a dozen additional states had adopted minimum wage laws. In some states the law applies only to specified industries; in others it covers all occupations. In some states the law covers only the employment of women, but in most cases the principle of the minimum wage applies to women and minors under eighteen, or even twenty-one years of age. In some foreign countries the minimum wage is also extended to the labor of men, but in the United States men are everywhere exempted from the operation of such laws.

206. ARGUMENTS IN FAVOR OF THE MINIMUM WAGE.—The champions of the principle of the minimum wage advance a number of arguments in its favor. It is contended that no industry is socially desirable if it cannot pay a living wage, for when wages fall below a certain minimum, poverty, ill-health, and vice are natural results. When laborers are themselves unable to improve their economic position, it is said, it becomes the duty of the state to guarantee them a living wage. Another argument in favor of the minimum wage is that it not only eliminates considerable poverty, but it makes possible a healthier and more contented labor force.

It is claimed that strikes and social unrest are partially eliminated by the minimum wage.

207. ARGUMENTS AGAINST THE MINIMUM WAGE.—In spite of the rapid spread of minimum wage legislation in this country, the principle has met with considerable opposition. It is claimed by some that where poverty is due to bad personal habits, the mere payment of a higher wage will not abolish poverty. It is also urged that because of price changes, and because of differing concepts of a standard of living, it is difficult to determine what is really a living wage. Some employers maintain that the minimum wage is contrary to economic law, since it forces the payment of a wage which the laborer often does not earn. The compulsory nature of the minimum wage is also opposed on the grounds that it constitutes an undue interference with individual rights. [Footnote: Formerly an important argument against the minimum wage was this: There are large numbers of people who cannot *earn* the minimum wage, and because employers will tend not to employ them, such persons will have to be supported by charity. The force of this argument is reduced, however, by the fact that most minimum wage laws now make special provision for the part-time employment of such persons.]

208. THE RISKS OF INDUSTRY.—In spite of the fact that most States now have detailed laws providing for the guarding of machinery and the supervision of dangerous occupations, a half million

persons are injured or killed annually in industrial employments in the United States. A considerable amount of ill-health is traceable to working with drugs and acids. Continued work in dusty mills and shops, as well as long exposure to the excessively dry or excessively moist atmosphere required by certain manufacturing processes, also give rise to "occupational" diseases. Old age frequently brings poverty and distress, in spite of a life of hard work. Lastly, the laborer runs the risk of unemployment.

209. THE PRINCIPLE OF SOCIAL INSURANCE.—As a general rule, laborers do not voluntarily insure themselves against illness, unemployment, accident, or old age. This is partly because they lack the necessary funds, and partly because they lack the foresight necessary for such action. If, therefore, the risks of industry are adequately to be insured against, the initiative must be taken by some one other than the laborer. As a result of this situation, there has developed the principle of social insurance. Social insurance, as distinguished from insurance by trade unions or private agencies, is compulsory, and is administered, or at least supervised, by the state or Federal authorities.

From the standpoint of the community, social insurance may be justified on four grounds. First, the risks of industry are largely beyond the control of the individual workman, and hence he ought not to be held wholly responsible for the penalties which industry may inflict upon him. Second, the

community gets the benefit of the laborer's efforts, and thus ought to feel morally obligated to safeguard his employment. Third, an injury to the laborer restricts the productivity of the community by crippling or removing one of its productive agents. Fourth, compulsory insurance is a social necessity, for where nothing has been laid aside for a rainy day, the interruption of earnings subjects the laborer and his family to hardship and disaster. Wisely administered social insurance prevents a great deal of poverty and distress which would otherwise constitute an added burden upon charitable organizations.

210. INSURANCE AGAINST ACCIDENT.—Accident insurance has been a feature of social insurance programs in Germany, France, and Great Britain for almost a half century, but in this country it was not until 1910 that compulsory insurance against industrial accidents began to be effective. Since 1910, however, the movement has grown rapidly, and at the present time the majority of the states provide for compensation to workmen for accidents sustained in connection with their work. Formerly our courts quite generally held that when a workman could be shown to have suffered an accident because of "personal negligence," the injured person was not entitled to compensation. Under the accident insurance laws of most states it is now held, however, that the personal negligence of the injured workman does not forfeit his right to receive

compensation.

In most states the cost of accident insurance is borne primarily by the employer.

211. INSURANCE AGAINST SICKNESS. [Footnote: Sometimes known as health insurance.]—Compulsory sickness insurance has been highly developed in several European countries, but so far we have left insurance of this type to private effort. The question is attracting considerable attention in this country, however, and it is believed that this form of social insurance will soon be provided for by state law. In 1914 the American Association for Labor Legislation outlined a model sickness insurance law. Such a law would provide a sickness benefit for a number of weeks, arrange for medical care, and, in case of death, pay a funeral benefit. The cost of such insurance would be divided equally between workmen and employer, while the state would bear the cost of administering the law. This cost would be considerable, because illness may be feigned, and hence there would have to be more careful supervision than in the case of accident insurance.

212. INSURANCE AGAINST OLD AGE.—Compulsory insurance against old age is an important feature of social insurance systems in European countries, but it is very little known in the United States. We are familiar with the Federal pensioning of military veterans, and with local

pensions for firemen and policemen, as well as with state and local pensions for teachers. Such insurance does not, however, touch the question of aged employees in industrial pursuits. Trade unions sometimes provide a measure of old age insurance for their members, but the proportion of workmen affected by this practice is very small.

In 1920, a beginning toward compulsory old age insurance was made, when a Federal law provided for compulsory old age insurance for the civil service employees of the Federal government. The question of compulsory old age insurance is also being agitated in a number of states.

213. SHOULD SOCIAL INSURANCE EXTEND TO UNEMPLOYMENT?—It is contended by many that to insure workmen against the loss of their jobs would encourage shiftlessness, and that for this reason the principle of social insurance ought not to apply to unemployment.

It is obvious that a considerable share of unemployment is traceable to personal negligence, and it is probably true that insurance against unemployment would discourage thrift and foresight on the part of many workmen. On the other hand, it has been shown statistically that a large share of unemployment is due to crop failures, market fluctuations, and other conditions beyond the control of the workmen. In so far as this is true, there would be a great deal of unemployment whether it were

insured against or not. Because, therefore, some unemployment is inevitable, and because unemployment is in many cases beyond the control of the individual, it becomes necessary, or at least desirable, for the state to insure workmen against this unavoidable risk.

Insurance against unemployment has never been tried out in this country, but it is likely that we shall some day follow the example of the leading European countries, and include this type of protection in our general program of social insurance.

214. OBSTACLES TO LABOR LEGISLATION.—Labor legislation of the type discussed in this chapter is making rapid headway in the United States. Nevertheless, it should be noted that in this field we are behind the more advanced countries of western Europe. The chief explanation of this relative backwardness is that the extension of labor legislation in this country has met with considerable opposition. The reasons for this opposition may be summed up as follows:

First, the spirit of individualism is so strong in this country as effectively to check legislation which appears paternalistic. The weak position of women and children in industry has somewhat lessened the force of this argument in the case of laws designed to safeguard these two groups, but labor legislation in behalf of men is still regarded suspiciously in many

quarters.

Second, it is difficult to secure uniform laws among the several states. Labor legislation in this country has been primarily a state concern, but the attitude of the various states toward social insurance, the minimum wage, and other types of labor legislation, has been so divergent that the resulting laws have often been conflicting. In many cases states fear to enact laws which they believe will hamper local employers and encourage the migration of capital to states which are more lenient in this regard.

Third, an important obstacle to labor legislation in the United States has been the difficulty of enacting laws which the courts will not declare unconstitutional. The constitutional provision [Footnote: See the fifth amendment to the Federal Constitution, Appendix.] that no one shall be deprived of life, liberty, or property without due process of law has often been interpreted by the courts in such a way as to nullify laws designed to safeguard the interests of the working classes. For example, a law restricting the employment of women might be declared unconstitutional on the grounds that it interferes with the "liberty" of women to work as many hours, and for as small a wage, as they choose.

Within the last decade, however, the obstacle of constitutionality appears to have declined in

importance. Our Supreme Courts often reverse their own decisions, as well as negative the decisions of the lower courts, and it is therefore difficult to ascertain what is truly the trend of judicial decision. Nevertheless, many authorities believe that we are on the verge of an era in which the courts will weigh labor legislation primarily in the light of its social benefit, and only secondarily with respect to how it squares with the technicalities of the Constitution.

QUESTIONS ON THE TEXT

1. What three questions are discussed in this chapter?

2. What is the extent of child labor in the United States?

3. What are some of the causes of child labor?

4. What are the chief results of child labor?

5. Discuss Federal legislation with respect to child labor.

6. Outline the minimum provisions of a good child labor law.

7. Why do women generally get lower wages than men?

8. What is meant by the minimum wage?

9. What are the chief arguments in favor of the minimum wage?

10. Give the chief arguments against it.

11. What is meant by social insurance?

12. Discuss the four forms of social insurance. Which have been applied in this country?

13. What are the three great obstacles to labor legislation in this country? Which of these appears to you to be the most important? Which appears to you to be the easiest to overcome?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xix. Or all of the following:

2. Burch and Patterson, *American Social Problems*, chapter xiv.

3. Ely, *Outlines of Economics*, chapter xxviii.

4. Fetter, *Modern Economic Problems*, chapter xxiii.

5. Taussig, *Principles of Economics*, Vol. ii, chapter viii.

QUESTIONS ON THE REQUIRED READINGS

1. Why is child labor not always the cheapest labor?

(Burch and Patterson, page 172.)

2. What is the sweat shop system? (Burch and Patterson, page 174.)

3. What are the chief occupations in which women are found? (Burch and Patterson, page 175.)

4. What is meant by the "dangerous trades"? (Burch and Patterson, pages 176-177.)

5. What is the extent of railway accidents in this country? (Burch and Patterson, pages 178-179.)

6. What are the main causes of irregular earnings? (Taussig, page 323.)

7. What form of social insurance was first developed in this country? (Ely, page 588.)

8. Outline the British Workmen's Compensation Act. (Taussig, page 325.)

9. What are the main features of the German system of old age insurance? (Taussig, page 331.)

10. What difficulties are encountered in insuring workmen against unemployment? (Taussig, pages 337-340.)

11. What is the "contributory principle" in social insurance? (Fetter, pages 363-364.)

12. What are the chief objections to social

insurance? (Ely, pages 593-594.)

TOPICS FOR INVESTIGATION AND REPORT

1. The extent of child labor in your state.

2. Control of child labor by the laws of your state.

3. The difficulties of enacting child labor legislation to cover the employment of children in agriculture. Interview some one familiar with farming conditions for data on this topic.

4. Relation of child labor to the administration of the school attendance laws in your community.

5. Extent to which women are employed in industrial establishments in your community or state.

6. Interview a friendly employer on the relative desirability of men and women employees.

7. The status of the minimum wage in your state.

8. Social insurance in your state.

9. Interview the officials of a trade union concerning the payment of sickness insurance by the union.

10. The emergency treatment of injured workmen in a near-by mill or factory. Compare this treatment with the treatment outlined in the references which

are appended to Topic 21.

II.

11. Causes of child labor. (Mangold, *Problems of Child Welfare,* part iv, chapter i.)

12. Effects of child labor. (Mangold, *Problems of Child Welfare,* part iv, chapter iii.)

13. Women in industry. (Select some phase of this problem for report. Consult Butler, *Women and the Trades;* MacLean, _Women *Workers and Society*; Kelley, *Some Ethical Gains through Legislation; Annals,* vol. lxv; Abbot, *Women in Industry,* and similar works.)

14. Relation of home conditions to industrial efficiency. (*Annals,* vol. lxv, pages 277-288.)

15. Industrial efficiency of women compared with that of men. (Lee, *The Human Machine and Industrial Efficiency,* chapter x.)

16. Housing the unskilled worker. (Wood, The *Housing of the Unskilled Wage-earner.*)

17. Work of the National Housing Association. (Write to the association office in Washington, D. C., for descriptive literature.)

18. Summary of Irving Fisher's report on national vitality. (*Bulletin of the Committee of One Hundred on*

National Health, etc., prepared for the National Conservation Commission, by Irving Fisher, Washington, 1909.)

19. Preventable diseases. (Hutchinson, *Preventable Diseases.*)

20. Occupational diseases. (Oliver, *Diseases of Occupation.*)

21. How to act in case of an accident. (Gulick, *Emergencies; Tolman, Hygiene for the Worker,* chapter xvi.)

22. The right to leisure time. (Kelley, *Some Ethical Gains through Legislation,* chapters in and iv.)

23. Legal status of workmen's compensation. (*Annals*, vol. xxxviii, No. i, pages 117-168.)

24. Health insurance. (Rubinow, *Standards of Health Insurance*, chapters iii and iv.)

25. The police power. (Guitteau, *Government and Politics in the United States*, chapter xii.)

FOR CLASSROOM DISCUSSION

26. The minimum wage for men.

27. Should old age and sickness insurance be made a feature of the social insurance program of your state?

28. Should pensions be paid out of public funds to mothers having dependent children?

29. Should labor legislation be enacted primarily by the Federal or by the state governments?

CHAPTER XX

IMMIGRATION AND ASSIMILATION

215. RACIAL ELEMENTS IN OUR POPULATION.—The Federal census of 1920 gave the population of continental United States as 105,710,620. Approximately nine tenths of this population is white, while about one tenth is negro. Those who are neither white nor negro, namely, American Indians and Asiatics, together constitute less than one half of one per cent of the population.

The great majority of our people are either European immigrants, or the descendants of European immigrants who came to this country within the last century and a half. With reference to European immigration we distinguish three groups: the foreign-born, the native-born children of the foreign-born, and natives. Natives include those whose ancestors have been in this country two or more generations. On the basis of this classification, about one seventh of our population is foreign-born while over one third is either foreign-born or the

native-born children of foreign-born parents.

The ease with which immigrants have adapted themselves to American life prevents any accurate classification of nationalities in our population, but probably Great Britain and Ireland, Germany, Italy, Russia, (including Poland), and Austria-Hungary have, in the order named, contributed the largest numbers.

216. THE "OLD" IMMIGRATION.—European immigration to the United States may be divided into two groups, the "old" and the "new." The "old" immigration extended from the beginning of our national history to about the year 1880, and was derived chiefly from Great Britain and Ireland, Germany, and the Scandinavian countries. Between 1820 (the first year for which we have accurate records) and 1880, about nine tenths of our immigrants came from these countries.

The striking features of the "old" immigration should be noted. In comparison with present-day immigration, it was relatively small in volume. In view of the abundance here of free land, and our consequent need for pioneers, the small volume of immigration prevented the rise of any serious problem. Moreover, the "old" immigration was largely made up of individuals who were similar to the original American colonists in political ideals, social training, and economic background. The "old" immigration therefore merged with the native stock

fairly easily and rapidly.

217. THE "OLD" GIVES WAY TO THE "NEW" IMMIGRATION.—In the period centering about the year 1880 there was a distinct shift in the immigration movement. Whereas before 1880 most of our immigrants had been Anglo-Saxons and Teutons from northern Europe, after 1880 the majority of our immigrants were members of the Mediterranean and Slavic races from southern and southeastern Europe. Before 1880 about nine tenths of the aliens coming to our shores were from northern Europe and only one tenth were from southern and southeastern Europe. In the period since 1880, less than one fourth of our immigrants have come from northern Europe, while more than three fourths have been derived from southern and southeastern Europe. The bulk of this new immigration has come from Russia, Poland, Austria-Hungary, Greece, Turkey, Italy, and the Balkan countries.

218. INCREASING VOLUME OF IMMIGRATION.—Since it is in connection with the "new" immigration that the modern immigration problem arises, it will be profitable to inquire more fully into the character of the movement after about 1880.

Not only has the character of immigration changed since the eighties, but the volume of immigration has steadily increased. Of approximately 35,000,000 immigrants who have come to our shores since 1800,

more than half have come within the last thirty-five years. The peak of immigration was reached in the decade preceding the World War, when as many as a million and a quarter of immigrants landed in this country in a single year. This heavy flow was interrupted by the World War, but after the signing of the armistice in the fall of 1918, a heavy immigration again set in. [Footnote: Various classes of immigrants are excluded from the United States by the immigration laws summarized in section 223 of this chapter. In addition to these laws, which may be said to constitute the basis of our permanent immigration policy, President Harding signed, in May, 1921, a bill relative to the temporary exclusion of aliens who would ordinarily be admissible. This temporary exclusion act provided that between July 1, 1921, and June 30, 1922, the number of immigrants entering the United States from any other country might not exceed three per cent of the former immigrants from that country who were within the bounds of the United States at the time of the last census.]

219. DISTRIBUTION OF THE "NEW" IMMIGRATION.—One of the most significant facts in connection with the immigration problem is that our immigrant population is unequally distributed. About two thirds of the immigrants in this country are in the North Atlantic division; about a quarter of them are located in the North Central division; while less than one tenth are located in the western and

southern sections of the country combined. Three fourths of our foreign-born live in the cities of the North Atlantic and North Central divisions. Forty per cent of the present population of New York City is foreign born, while in Boston and Chicago more than a third of the population is foreign born. In the smaller manufacturing cities of the North Atlantic division it often happens that from half to four fifths of the population is foreign born.

220. ECONOMIC EFFECTS OF IMMIGRATION.—In the earlier part of our national history free land was abundant and immigration relatively small in volume; after the eighties free land disappeared and immigration increased rapidly. It was toward the end of the nineteenth century, therefore, that the economic aspect of the immigration problem became acute. In the last decades of that century manufacturing developed rapidly, and American cities became important centers of population. Large numbers of immigrants were attracted by the opportunities for employment in urban centers. An addition to this factor, immigrants continued to concentrate in the cities, partly because of the spirit of clannishness, partly because of the disappearance of free land, and partly because the development of agricultural machinery reduced the demand for agricultural laborers. Still another influence was the fact that the unfamiliar American farm was less attractive to the southern European immigrant than was the opportunity of performing unskilled labor in

the city. To-day four fifths of our immigrants are unskilled laborers who are employed chiefly in mining, construction work, transportation, and domestic service.

From the economic standpoint, the chief objection to unrestricted immigration is that it prevents the wages of American workmen from rising as rapidly as would otherwise be the case. The newly arrived immigrant usually has a lower standard of living than has the native American; that is to say, the immigrant is content with less in the way of food, clothing, house room and education than is the native. When newly arrived immigrants come into competition with native workmen, the immigrant generally offers to work for a lower wage than the native. But though relatively low, this wage is so much higher than the newly arrived immigrant has been used to, that he feels justified in marrying early and rearing a large family. This adds to the supply of unskilled labor.

In order to compete with the recent immigrant, the native must accept relatively low wages. In order to get along on these relatively low wages, the native must either lower his standard of living or postpone marriage. Sometimes he has lowered his standard of living; sometimes he has preferred to retain his relatively high standard of living, and to get along on the decreased wage either by postponing marriage, or by permanently abandoning his plans for a normal family life. It is contended, therefore, that an

oversupply of unskilled immigrant labor in this country has had at least two injurious results. First, it has kept the standard of living of American workmen from rising as rapidly as would otherwise have been possible. Second, it has caused the birth rate to decline among the native groups.

221. SOCIAL EFFECTS OF IMMIGRATION.—The tendency of immigrants to concentrate in American cities gives rise to a number of serious social problems. Urban congestion is unqualifiedly bad. It is difficult or impossible for immigrants living in crowded quarters to maintain proper health standards. Nor does overcrowding conduce to healthy morals. The foreign born do not show an unusual tendency toward crime, which is remarkable when we consider the immigrant's ignorance of our laws, as well as the ease with which unscrupulous persons exploit him. On the other hand, the children of the foreign born often show a strong tendency toward crime and vice, a fact which is attributed to the bad social conditions surrounding their homes. The percentage of dependency among immigrants is rather high. This is not surprising, however, for many immigrants must go through an adjustment period in which lack of financial reserves is likely to force them to call upon charitable agencies for temporary aid.

222. DIFFICULTY OF ASSIMILATING THE "NEW" IMMIGRATION.—Those who made up the "old" immigration assimilated rapidly: they were relatively

like the native stock in manners and customs, the volume of immigration was relatively small, and the newcomers spread out into frontier communities where habitual contact with natives was unavoidable.

Those who make up the "new" immigration have assimilated less rapidly: they are relatively unlike the native stock in language, race, and customs; the volume of immigration is very great; and rather than being uniformly distributed, the "new" immigrants tend to concentrate in cities where they are often little subject to contact with natives. Members of foreign "colonies" not only tend to remain ignorant of American life, but unfamiliarity with self-government encourages their exploitation by political "bosses." It is admitted by the most careful students that the lack of proper civic ideals among unassimilated foreigners in American cities is a large element in the corruption of our municipal governments.

223. RESTRICTIVE LEGISLATION.—Exclusive control of immigration is vested in the Federal government. During the Civil War Congress actually encouraged immigration, but since 1882 our policy has been one of restriction. In the latter year the first general immigration act was passed, though considerable legislation on the subject was already on the statute books. Supplementary laws were enacted from time to time, the most important piece of legislation since 1900 being the Immigration Act

of 1917. A brief summary of this and previous acts will serve to show the nature and extent of Federal control over immigration.

The chief aim of our immigration laws has been so to restrict immigration as to protect us against undesirable persons. In the interest of health, persons afflicted with contagious diseases, such as tuberculosis, and trachoma,—a virulent eye disease,—are excluded. Certain persons whose character is clearly immoral are excluded. Polygamists are excluded. The Act of 1917 excludes anarchists, and likewise bars from our shores all criminals, except those who have committed political offenses not recognized by the United States. In order to reduce unnecessary tax burdens, as well as to safeguard community health, we also exclude insane persons, idiots, epileptics, beggars, and other persons likely to become public charges. Contract laborers are specifically excluded, the Act of 1917 using the term "contract labor" to include anyone "induced, assisted, encouraged, or solicited" to come to this country "by any kind of promise or agreement, express or implied, true or false, to find employment." Persons over sixteen years of age are excluded from the United States if they cannot read English or some other language. [Footnote: Certain near relatives of admissible aliens, purely political offenders, and persons seeking refuge from religious persecution, are exempted from this literacy test, however.]

The bars against Asiatics call for a special word.

224. ASIATIC IMMIGRATION.—By Asiatic immigration is here meant Chinese and Japanese immigration, immigrants from other parts of Asia being relatively unimportant.

The discovery of gold in California in 1849 caused a large number of Chinese coolies to migrate to this country. This immigration grew steadily until 1882, in which year the entrance of Chinese laborers into the United States was forbidden. Our exclusion policy has been repeatedly reaffirmed, as the result of which there are to-day fewer than 70,000 Chinese in this country. The majority of these are found on the Pacific Coast, engaged as small tradesmen, truck farmers, or personal servants.

Japanese immigration to this country did not become noticeable until about 1900. After that date, however, the volume of Japanese immigration so alarmed the Pacific Coast states that a Japanese exclusion policy was formulated as early as 1907. At present the only classes of Japanese that are allowed to reside in this country permanently are "former residents," "parents, wives or children of residents," or "settled agriculturists," the latter being Japanese already in possession of land here. There are at present fewer than 120,000 Japanese in this country. Most of them are found on the Pacific Coast, engaged in occupations similar to those of the Chinese in the same area. [Footnote: Chinese and Japanese students desiring to study in this country are allowed to enter the United States by special arrangement.]

Those most familiar with the situation are practically unanimous in declaring for the continued exclusion of Chinese and Japanese immigrants. In the case of both races, the standard of living is so much lower than that of native Americans that open competition between the newly arrived Asiatic and the native American would result in the latter being driven from the labor market. The most important social reason for the exclusion of these two races is that the differences of race and religion existing between Asiatics and native Americans render assimilation of the Chinese and Japanese extremely difficult, if not impossible.

225. THE FUTURE OF IMMIGRATION.—A half century ago the belief was current that an immigration policy was unnecessary, since the sources of immigration would eventually dry up. The sources of the "old" immigration have dried up somewhat, but new sources have been opened up in southern and southeastern Europe. Immigration is a pressing social problem, and it is likely that it will be even more pressing in the future. The American frontier has disappeared and our boundaries are fixed. Urbanization is proceeding at a rapid rate, industry is becoming more complex, public opinion is more insistent that such social problems as immigration shall be solved.

226. WHAT SHALL BE OUR ATTITUDE TOWARD IMMIGRATION?—There is no good reason why immigration should be absolutely prohibited. On the

other hand, the most public-spirited students of the question believe that the careful restriction of immigration is imperative. Clearly, it is our duty to accept only such immigrants as show promise of becoming capable and efficient American citizens. It is also clearly our duty to accept even this type of immigrant only in such numbers as we can conveniently assimilate. We must not be selfish with America, but we should not be misled by the statement that anyone in Europe has a "right" to make his home in this country. Those who come to this country are personally benefited, no doubt, but unrestricted immigration may lower the tone of American life and permanently injure our social and political institutions. America is for the present generation, but is also for posterity. The millions of unborn have as much right to be considered as have the millions now clamoring at our gates. For this reason, the "right" of an individual to migrate to America must be interpreted in the light of what he will mean to the future of this country.

227. HELPING THE IMMIGRANT IN HIS NEW HOME.—The readjustment, assimilation, or "Americanization" of the immigrant is a problem of vital importance. The term "Americanization" is variously interpreted, and must be used with care. Americanization ought not to force the immigrant to give up his native tongue, or his old-country customs. It ought to be a mutually helpful process, whereby native Americans would help the immigrant

in adjusting himself to his new environment, while, in turn, the immigrant would be permitted and encouraged to make his own contribution to American life. Since the immigrant has little or no opportunity to contribute to American life until he has become adjusted to his new home, it follows that the most fundamental part of an Americanization program is one of helping the immigrant solve his problems.

In carrying out this part of the Americanization program it is essential that the newly arrived alien be protected against unscrupulous persons who seek to exploit him. Adequate laws ought to be supplemented by the work of immigrant aid societies and other private organizations whose duty it would be to protect immigrants against dishonest boarding houses, swindlers, unreliable banks, and other forms of imposition. Friendly help of this type will do much toward encouraging and inspiring the alien in his new life.

Improvement in the immigrant's economic status is an important part of an Americanization program. Not only does the undue concentration of immigrants in cities spell ill-health and a great temptation to crime and vice, but immigrant laborers sometimes secure lower wages in cities than they would receive in the more sparsely settled parts of the country. Of considerable interest, therefore, is the recent development of plans for redistributing immigrants into the rural and sparsely populated districts.

[Footnote: The movement to transfer immigrants to the rural districts is not unqualifiedly good; indeed, it may do more harm than good. For the dangers of this movement, see Chapter XXV.] Since 1907 the Division of Information in the Bureau of Labor Statistics has done valuable work in finding employment for immigrants in rural districts. Much remains to be done, however.

The school, of course, is an important agent of Americanization. Whether or not the immigrant retains his old-country language, he ought to learn to speak, read and write English. The school is likewise an important means of instructing the newcomers and their children in the essentials of American history and government. Where the school is being used as a real community center, the institution becomes truly a method of introducing the foreign-born to the everyday activities of American life. The increasing emphasis upon the racial traits of different immigrant groups, with a view to encouraging unique contributions to the culture of the community, deserves special notice.

Americanization measures of the type touched upon in this section help to build the nation on a sound foundation of friendly and intelligent co÷peration.

QUESTIONS ON THE TEXT

1. What proportion of our population is foreign-born? What proportion is native?

2. Distinguish between the "old" and the "new" immigration.

3. Describe the increasing volume of immigration.

4. Outline the distribution of immigrants in this country.

5. What are the economic effects of immigration?

6. Explain the relation of immigration to the wages and standard of living of American workmen.

7. What are the social effects of immigration?

8. What factors impede the assimilation of the "new" immigrants?

9. What classes of aliens are excluded from this country? What is "contract labor"?

10. What is the nature of Asiatic immigration? Why are Asiatics excluded?

11. Does it seem likely that the immigration problem will be more or less acute in the future? Why?

12. What should be our attitude toward immigration?

13. What is the chief aim of a good Americanization program?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xx.

Or all of the following:

2. *Annals* of the American Academy of Political and Social Science, vol. xciii, pages 134-138, 156-161.

3. Burch and Patterson, *American Social Problems*, chapters ix and x.

4. Ellwood, *Sociology and Modern Social Problems*, chapter x.

5. Roberts, *The Problem of Americanization*, chapters iii and iv.

QUESTIONS ON THE REQUIRED READINGS

1. Define a foreigner. (*Annals*, page 135.)

2. What is Professor Walker's theory of immigration? (Burch and Patterson, pages 95-96.)

3. Compare the "old" and the "new" immigration in 1882. (Ellwood, page 217.)

4. Compare the "old" and the "new" immigration in 1907. (Ellwood, page 218.)

5. What are the three most important groups of immigrants at the present time? (Burch and Patterson, pages 108-111.)

6. What is the extent of illiteracy among the immigrant population? (Burch and Patterson, pages 115-116.)

7. Discuss the occupational distribution of immigrants. (Ellwood, pages 223-224.)

8. What is the "racial" argument against unrestricted immigration? (Ellwood, pages 234-235.)

9. How can the average citizen help in the Americanization movement? (Roberts, pages 45-47.)

10. Why should the Americanization worker make himself familiar with the condition under which the immigrant works? (Roberts, pages 48-53.)

11. What is the significance of the club life of immigrant groups? (Roberts, pages 57-61.)

12. What is the importance of the "advisory council" in Americanization work? (Roberts, pages 86-87.)

TOPICS FOR INVESTIGATION AND REPORT

1. Classify the residents of your community according as they are (a) Foreign born (b) Native-born children of foreign-born parents, or (c) Natives.

2. Study your community with the aim of determining whether or not the character of its immigrant class has changed within the last twenty-five years.

3. Classify the immigrant groups of your community on the basis of occupation. Notice in particular the proportion of immigrants engaged in agriculture and in the trained professions.

4. Make a visit to a near-by foreign colony, and report to the class upon your observations.

5. Interview the officials of a trade union on the effect of Unrestricted immigration upon wages.

6. Draw up a workable plan for the redistribution of immigrants in your state.

7. Draw up a plan for an Americanization survey in your state. (Write to the Bureau of Education in the U. S. Department of the Interior, for Bulletin, 1919, No. 77, on State Americanization.)

8. Race elements in the population of the American colonies. (Commons, *Races and Immigrants in America*, chapter ii.)

9. History of immigration to the United States.

(Any standard text on immigration.)

10. The journey to America. (Abbot, *The Immigrant and the Community*, chapter i; Steiner, *On the trail of the Immigrant*; Antin, *They Who Knock at Our Gates*. See also Miss Antin's *The Promised Land*.)

11. Assisted immigration. (R. Mayo Smith, *Emigration and Immigration*, chapter ix.)

12. Geographical distribution of immigration. (Semple, *American History and its Geographic Conditions*, chapter xv.)

13. Economic aspects of immigration. (Consult any standard text on immigration.)

14. "Birds of passage." (Consult any standard text on immigration.)

15. Immigration and the trade unions. (Carlton, *History and Problems of Organized Labor*, chapter xi. See also any standard text on immigration.)

16. Social aspects of immigration. (Consult any standard text on immigration.)

17. Political aspects of immigration. (Consult any standard text on immigration.)

18. Chinese immigration. (Coolidge, *Chinese Immigration*; Hall, *Immigration*, chapter xv; Jenks and Lauck, *The Immigration Problem*, pages 231-237; *Annals*, vol. xciii, pages 7-13; Gulick, *American*

Democracy and Asiatic Citizenship.)

19. Japanese immigration. (*Annals*, vol. xciii, part i; Jenks and
Lauck, *The Immigration Problem*, pages 241-252; Steiner, *The
Japanese Invasion*; Gulick, *American Democracy and Asiatic
Citizenship*.)

20. Americanization. (*Annals*, vol. xciii, part in; Woods, *Americans in Process*; Steiner, *From Alien to Citizen*; Bogardus, *Essentials of Americanization*; Roberts, *The Problem of Americanization*)

FOR CLASSROOM DISCUSSION

21. Is assisted immigration an evil?

22. Can immigrants be redistributed effectively by governmental agencies?

23. Should we retain the literacy test as part of our immigration policy?

24. At the present time many aliens journey across the Atlantic only to find that, for various reasons, they cannot be admitted to this country. How might the resulting disappointment and loss of time and money be avoided?

CHAPTER XXI

CRIME AND CORRECTION

228. THE NATURE OF CRIME.—A crime is an act which is punishable by law because it is considered injurious to the community. If the average man were a hermit, living entirely alone, his actions would affect only himself, and he would be subjected to little or no control by any community. But the average man is a member of a highly civilized community, and what he does, or what he fails to do, often profoundly affects other individuals. Members of the community therefore agree upon standards of conduct, to which individuals must conform. [Footnote: Where democracy does not exist, or is only partially developed, laws may be imposed upon the group from without. In such a country as the United States, however, legal standards of conduct are preeminently the result of mutual agreements, freely entered into.] It is the failure to conform to these standards which constitutes a crime, and which entails punishment by law.

What constitutes a crime depends, of course, upon the level of civilization reached by a community, and upon the interpretation which it places upon right conduct. A deed considered heroic in one age may be considered a crime in a later century. In the days of

chivalry, for example, it was sometimes considered heroic to rob or even kill wicked nobles in order to distribute their wealth to the poor. At the present time, of course, such acts would constitute a crime.

229. THE CAUSES OF CRIME.—The causes of crime are so various and so complex that their accurate classification is impossible. But some light may be thrown upon the subject if we think of crime as influenced by economic, social, personal, and political factors.

Looking at crime from an economic point of view, it is obvious that poverty often accompanies crime. In many cases, it is claimed, such crimes as larceny, forgery, and robbery are directly traceable to poverty. Similarly, it is said that unemployment and industrial accidents may incite individuals to crime. Many authorities claim, however, that while bad economic conditions accompany and often encourage crime, such conditions alone are not a direct cause of crime. According to this latter view, poverty, for example, will not cause a person to commit a crime unless he is feeble-minded, depraved in morals, or otherwise defective in character.

While there is a good deal of dispute as to whether or not poverty is a direct cause of crime, it is quite generally agreed that a bad economic situation gives rise to social conditions which can be definitely connected with criminality. The strain and artificiality of urban life, together with the difficulty

of obtaining inexpensive and wholesome recreation in the poorer sections of large cities, has a close connection with crime. The overcrowding so common in tenement districts renders difficult or impossible the maintenance of high moral standards. Where mother or children are habitually employed outside the home, the young are often denied proper home training. Divorce, desertion, or the death of the bread-winner may break up the family and indirectly give rise to illiteracy, vice, and crime.

Often indistinguishable from the social causes are the personal causes of crime. Where alcoholism or vicious habits are given as the cause of crime, it may be impossible to say whether social or personal defect is primarily to blame. Illiteracy, superficially a *personal* cause of crime, may often be traced to a bad *social* environment. Thus an individual may be illiterate because his parents were unwilling or unable to send him to school, or because evil companions discouraged him from study. Such personal causes as mental defect are extremely important, indeed, many students maintain that bad economic and social conditions are negligible causes of crime, unless found in connection with low mentality and a depraved moral sense.

Last among the causes of crime we may consider defects in government. The laws of a community may be so numerous, or so unwisely worded, that even responsible individuals violate them without understanding the nature of their act. After children

have committed petty offenses through carelessness or a sense of mischief, the harshness of the police may so embitter or antagonize the culprits that their criminal tendencies are intensified. An important cause of crime is the custom, still common in many states, of imprisoning young and first offenders in county jails, where they are allowed to mingle with, and learn about crime from, hardened and depraved criminals.

230. THE REMEDIES FOR CRIME.—The causes of crime suggest the nature of its remedies. Wherever bad economic conditions either directly or indirectly encourage crime, the remedy is, of course, the relief or abolition of poverty. This problem has already been discussed.

Since bad social conditions are often the result of poverty, any measures which will lessen poverty will also remove many of the so- called social causes of crime. Education, the safeguarding of the home, constructive charity, and similar measures will also help to remove the social causes of crime. These questions are discussed elsewhere in this text, and need not be gone into here.

The improvement of economic and social conditions will ultimately help to eliminate bad heredity, vice, and other of the personal causes of crime.

With the understanding, then, that the eradication

of the economic, social and personal causes of crime is discussed elsewhere, we may here confine ourselves to the question of preventing crime by remedying the defects of government.

231. JUSTICE AS AN IDEAL.—Justice has constituted one of the basic ideals of the English-speaking peoples since the days of Magna Charta. "To no one will we sell, and to no one will we refuse or delay, right or justice," declared that great document. This conception was later glorified into an ideal which, after having persisted for four centuries in England, was brought to the New World by the English colonists. The first ten amendments to the Federal Constitution and the Bill of Rights contained in the constitutions of the several states have been called by Lord Bryce "the legitimate children of Magna Charta." Since the beginning of our history, thus, a great cornerstone of American democracy has been the concept of sound and equitable law, impartially and effectively administered.

232. THE DENIAL OF JUSTICE.—Within the last decade we have come to realize that in many of the criminal courts of this country justice is an ideal rather than a fact. "The administration of criminal law in all the states of this Union," said Chief Justice Taft a few years ago, "is a disgrace to civilization."

Our criminal law is administered unjustly in two ways.

First, it sometimes allows the rich, the cunning, and the powerful offenders to escape the penalty for their crimes. In many states the court dockets are so crowded that influential offenders are not convicted for years, if at all. Rich prisoners may be released on bail, and consideration of their case so delayed that the evidence disappears. Public interest is diverted to new cases, and eventually the case may be quietly dismissed. Mr. Taft points out that we lead the world in the number of serious crimes which go unpunished. Appeals are allowed almost as a matter of course, so that in many serious criminal trials the original verdict is only the beginning of the case.

Second, the law which often allows the powerful and crafty to avoid punishment may operate to deny justice to the poor. Ignorant prisoners are in many cases so bewildered by cumbersome and technical court procedure that they allow their cases to be disposed of without adequate protection of their rights. Often they have no one to advise them as to their constitutional rights and privileges. If they are not only ignorant but poor, they find themselves unable to employ proper counsel. The Constitution indeed recognizes the right of an accused person to have counsel, but in many states if a man is too poor or too ignorant to secure a lawyer, he is obliged to stand trial without anyone to represent or advise him. In some states, the court appoints a lawyer to represent such defendants. Sometimes the assigned counsel is dishonest, and too often his primary object

is to get a fee rather than to secure justice for his client. Generally the counsel so appointed is inexperienced, and consequently no match for an able and experienced prosecuting attorney, whose reputation may depend upon the number of convictions that he secures.

233. THE REFORM OF CRIMINAL PROCEDURE.—The reform of criminal procedure is assuming great importance as a problem of American democracy. In many states there is a demand for a wider and more energetic use of the Bertillon and finger print systems for the identification of criminals. Because of the fact that in our large cities a heavy percentage of crimes are committed without the subsequent arrest of the culprit, there is a growing demand for the improvement of our police systems. Our criminal law needs to be simplified, so that justice may not be delayed by technicalities, long arguments on the admissibility of evidence, and the abuse of the right of appeal. Probably a good many of the delays and technicalities of legal procedure could be avoided if at the trial the judge were to exercise a greater amount of control over the proceedings.

The reform of criminal procedure has a double aim. First, it aims to reorganize and perfect criminal procedure so that persons who have committed an offense will be apprehended and always made to pay the penalty for their crimes. Toward the achievement of this ideal we have as yet done very little. We are still woefully behind such a country as England,

where justice is administered with relative rapidity and sureness. Second, the reform of criminal procedure aims to prevent the law from bearing with undue weight upon the poor and ignorant. Here we are making greater progress. Let us notice what is being done to guarantee justice to persons who are unable adequately to safeguard their own legal rights.

234. THE LEGAL AID SOCIETY.—A valuable institution is the legal aid society, which originated in New York City in 1876, and which has since spread to other parts of the country. Of the forty legal aid societies now in existence in this country, some of the better known are located in New York City, Los Angeles, Kansas City, Boston, and Chicago. The legal aid society is generally a private organization, created and maintained by public-spirited citizens who believe that the poor and ignorant ought to be given legal advice free of charge, or upon the payment of a nominal fee. These societies extend advice on both civil and criminal matters. The legal aid society helps materially to secure justice by acquainting the individual with his legal rights, and by acting as his counsel in court. Such organizations are especially valuable in safeguarding the rights and privileges of immigrants in large cities. The total number of persons helped annually by legal aid societies in the United States is over 100,000.

235. THE PUBLIC DEFENDER.—The Public

Defender movement is an outgrowth of the feeling that it is unfair for the court to assign an inexperienced and sometimes unreliable lawyer to defend a penniless prisoner, while the case is prosecuted by a skilful district attorney. In spite of the presumption that the prisoner is innocent until he is proved guilty, such practices as this have operated as though the prisoner were presumed to be guilty.

In 1912 Oklahoma attempted to remedy this evil by appointing a Public Defender whose duty it should be to aid in the defense of persons unable to employ counsel. The next year the city of Los Angeles appointed a Public Defender who, as a sworn public counsel of experience and integrity, makes it his business to defend poor prisoners without charge. A few years later, Portland, Oregon, and Omaha, Nebraska, appointed similar officers. Since 1916 many other cities, and a few states, have provided for a Public Defender of some kind, although in many cases the provision is as yet inadequate. In all cities in which the plan has been given a trial, the Public Defender has been instrumental in securing justice for the poor, and in raising the moral tone of the criminal trial. By eliminating much unnecessary delay from the criminal trial, the Public Defender has also helped to reduce court expenses.

236. CHANGING IDEALS IN PENOLOGY.—In the early stages of society the spirit of revenge seems to

have been a chief motive in the punishment of criminals, although the desire to prevent crime must also have been a factor. With the progress of civilization revenge declined in importance, and the punishment of the criminal seems to have been undertaken chiefly for the purpose of preventing future crimes. Long periods of imprisonment, inhuman punishments, and the frequent use of the death penalty were characteristic of this attitude toward crime. Curiously enough, punishments were imposed according to the seriousness of the crime committed, without regard to the character and needs of the criminal.

Of recent years the theory of punishment has been still further modified. In the first place, we have begun to doubt if punishment always serves a useful purpose. Punishment does not always deter criminals, and for this reason it is likely that the death penalty and other cruel and inhuman methods of punishment may be dispensed with, without a resultant increase in the amount of crime. In the second place, punishment has taken on a new aim. More and more we are coming to believe that it should be imposed, not according to the seriousness of the crime committed, but according as the individual criminal needs to be punished in order to effect his reformation. This new attitude is based upon the assumption that the criminal is a person who is not adapted to the conditions of modern life, and that the chief aim of the authorities should be so

to reform him that he will become a useful member of society. In case reform seems impossible, the criminal should be segregated in an institution.

237. INDIVIDUALIZED TREATMENT OF OFFENDERS.—The emphasis now placed upon reformation has made necessary a new point of view on the part of the public. We are beginning to make use of a mass of data furnished by physiology, psychology, and sociology, and on the basis of these data to subject prisoners to individualized treatment. Instead of herding all offenders into a single institution such as the county jail or the penitentiary, we are beginning to inquire, first of all, whether the prisoner might not be treated most effectively outside prison walls. For those offenders who seem to require institutional treatment, we are developing a whole series of institutions, designed to care for special types of abnormality. Industrial and farm colonies for petty offenders and occasional criminals, hospitals and colonies for the mentally defective, industrial schools and reformatories for certain types of juvenile offenders, and penitentiaries for hardened offenders, all these are included in the correctional system of the more progressive states.

238. SUBSTITUTES FOR IMPRISONMENT.—The belief is growing that young offenders, first offenders, and those committing petty crimes, may often be corrected without actual imprisonment. Increasingly common is the probation system, the essence of which is to suspend the sentence of the

court upon certain conditions. The offender is placed in charge of a court officer who will stand in the relation of friend and guardian to him, in order to supervise his conduct and to attempt his reformation. The success of the probation system depends largely upon the care and judgment with which probation officers control their charges.

The use of the fine deserves mention. Generally the sentence for a petty offense is a fine, with imprisonment as an alternative in case the prisoner is unable to pay the fine. Realizing the corrupting influence of the jail sentence for first or slight offenders, court officials in many cities are making the payment of the fine less difficult. In Buffalo, Indianapolis, Chicago, and other cities it is customary in some cases to allow the payment of a fine in instalments. This ultimately secures the fine; it has a disciplinary effect upon the offender; and it keeps him out of jail.

239. MENTAL DEFECTIVES.—Recent progress in medicine and psychology has demonstrated that many criminals are mentally defective. Such persons are not fully responsible for their acts, and nothing is to be gained by committing them to prison. They need special treatment in institutions for the insane, the feeble-minded, and the otherwise defective. In recognition of this fact, the criminal courts of our larger cities now make extensive use of psychopathic experts. It is the duty of these experts to determine the mental status of the prisoner, and, in case he is

found to be mentally defective, to recommend the type of treatment needed.

This is an admirable development, provided care is taken to prevent the abuse of the insanity plea by influential criminals who, though normal mentally, seek to evade responsibility for their deliberate crimes.

240. THE JUVENILE OFFENDER.—It has been proved that a large percentage of hardened criminals begin their careers by some careless or mischievous act for which they were severely or unwisely punished. Formerly, juvenile offenders were treated much as were adult criminals; more recently we are coming to believe that children ought not to be committed to penal institutions, but rather should be put on probation, or sent to correctional institutions of a special type. Wherever possible, institutional treatment of every kind ought to be avoided, for the crimes of children are clearly in a different class from those of the adult. In New York City a few years ago, for example, half the children brought into court were there because of the lack of recreation facilities. Petty theft and malicious mischief are often traceable to bad home influences and the unnatural surroundings of the city. These circumstances, coupled with the fact that immature children are often unaware of the seriousness of their lawless acts, justify the special treatment of the juvenile offender.

241. THE JUVENILE COURT.—The juvenile court has been created to meet the special needs of the youthful offender. An early institution of this kind was established in Chicago in 1889. Shortly afterward Denver established a juvenile court, and since then many other cities have taken up the idea. In some states county judges are authorized to suspend the ordinary rules of procedure where the defendant is under eighteen years of age.

A typical juvenile court provides separate judges and separate hearings for youthful prisoners. It avoids publicity, investigates the home life of the youthful offender, and attempts by kindly treatment to guide him back into a wholesome, honest life. In some cases delinquent children are sent back to school, in other cases they are placed on probation, in still other cases special institutional treatment is provided. Every effort is made to keep juvenile offenders from associating with habitual criminals. The aim of the court is not to punish the offender for a particular offense, but to weigh all the circumstances which have influenced his life, and to correct his wrong tendencies. Work of this type is preventive in the fullest sense of the word.

242. THE INDETERMINATE SENTENCE.—The realization that punishment ought to fit the criminal rather than the crime has led to the indeterminate sentence. Though not yet widely applied, this reform is attracting more and more attention. A logical application of the indeterminate sentence would

require prisoners to be committed to prison, not for a specific term, but for an indefinite period. The actual length of the prison term would depend upon the prison record of the individual, and upon the promise that he showed of becoming a useful and normal citizen if released. According to this plan, occasional criminals, and persons enticed or forced into wrong-doing, would be entitled to release (regardless of the character of the crime) as soon as it became apparent that they would not repeat the offense. Hardened criminals, on the other hand, might remain in prison permanently, even though committed for a trifling offense. Certainly we ought not to continue to commit and to re-commit hardened criminals for short terms, when their past conduct proves that they have neither the intention nor the ability to make proper use of their freedom.

243. THE FUNCTION OF THE MODERN PRISON.—In addition to the principle of the indeterminate sentence, modern penology has approved a whole series of supplementary measures. The ideal prison of to-day is not a gloomy dungeon, but a great plant which attempts to turn criminals into useful citizens through the use of the school, the chapel, the workshop, the gymnasium, the library, and even the theatre. Discipline, the fundamental weakness of offenders against the law, is a cornerstone of prison life. More and more prisons are adopting the merit system, according to which prisoners are graded and promoted to additional privileges on the basis of

behavior. In many prisons these privileges may include an "honor system" and "inmate self-government." The prison attempts to supply the deficiencies in the convict's early training. Prisoners are taught to take care of their bodies. They are taught useful trades, according to their abilities. If illiterate they may go to the prison school. Religious exercises and moral instruction are employed to develop a sense of moral values.

When consistent good behavior and earnest endeavor in prison duties indicate that the prisoner is entitled to another chance in the outside world, he may be paroled, that is to say, he may be released on certain conditions. Generally prisoners are not paroled until some person is found who will guarantee them employment. In many states the work of the parole board is ably supplemented by unofficial prisoners' aid societies which help the released man to readjust himself to a free life. After a certain period of satisfactory conduct on parole the prisoner is entitled to a full and unconditional discharge. The whole aim of the parole system is to supervise the actions of the prisoner, without adding to his irritation or humiliation, but with sufficient strictness to guard him against temptation and to replace him in prison if he proves unworthy of the trust bestowed upon him.

QUESTIONS ON THE TEXT

1. What is a crime?

2. In what way may bad economic conditions be connected with crime?

3. What are the social causes of crime? What are the personal causes?

4. In what way are defects of government related to crime?

5. Summarize the remedies for crime.

6. Trace the influence of Magna Charta upon our ideal of justice.

7. How does the administration of our criminal law often result in injustice?

8. Why is it necessary to reform our criminal procedure?

9. What is the nature and function of the legal aid society?

10. What is a Public Defender? How does he help secure justice?

11. Trace the development of the theory of punishment.

12. What is the purpose of the "individualized treatment of offenders"?

13. What is the function of a probation system?

14. How should mentally defective criminals be treated?

15. Describe the work of the Juvenile Court.

16. Outline the purpose of the indeterminate sentence.

17. What are the chief functions of a modern prison?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxi.

Or all of the following:

2. Guitteau, *Government and Politics in the United States*, chapter xiii.

3. Lewis, *The Offender*, part iii, chapter i.

4. Smith, *Justice and the Poor*, pages 105-127.

5. Wines, *Punishment and Reformation*, chapter ii.

QUESTIONS ON THE REQUIRED READINGS

1. Distinguish between crime, vice and sin. (Wines, page 11.)

2. Define criminal law. (Wines, page 12.)

3. What is the distinction between public and private wrongs? (Guitteau, pages 140-141.)

4. What are the first steps in a criminal action? (Guitteau, pages 142-143.)

5. What is an indictment? (Guitteau, page 143.)

6. Outline the steps in a criminal trial. (Guitteau, pages 144-146.)

7. What is a sumptuary law? (Wines, page 7.)

8. What are the eight distinct protections afforded by our criminal law? (Smith, page 108.)

9. What is the great defect of these protections? (Smith, page 111.)

10. What can be said as to the future development of the Public Defender movement? (Smith, page 127.)

11. Is the average age of offenders declining or increasing? (Lewis, page 254.)

12. What is the relation of the school to crime? (Lewis, pages 262- 270.)

13. What is the relation of recreational facilities to crime? (Lewis, pages 276-285.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a classification of the criminal courts of your state.

2. The use of psychopathic experts in the criminal courts of your state.

3. Make a study of a near-by county jail. (Compare data gathered with Queen, *The Passing of the County Jail*.)

4. The legal aid bureau in your state.

5. The parole system in your state.

6. Classify the correctional institutions in your state. What types of offenders are sent to each?

7. Interview, or write to, a prison official in your state regarding the practicability of the indeterminate sentence.

II

8. Criminal law procedure in England. (*Annals*, vol. lii, pages 200- 207; Kaye, *Readings in Civil Government*, pages 328-335.)

9. Criminal law procedure in the United States. (Beard, *American Government and Politics*, pages

568-577.)

10. Defects in the enforcement of the law. (Reinsch, *Readings on American State Government*, pages 173-181.)

11. The courts and the criminal. (Osborne, *Society and Prisons*, chapter ii; Lewis, *The Offender*, part i, chapter iii.)

12. Reform of criminal procedure in the United States. (*Annals*, vol. lii, pages 102-107.)

13. The county jail. (Queen, *The Passing of the County Jail*.)

14. Crime prevention from the standpoint of the police. (Woods, *Crime Prevention*; Lewis, *The Offender*, part ii, chapter ii; *Annals*, vol. lii, pages 56-60.)

15. Overcrowding in its relation to crime. (Riis, *The Battle with the Slum*; Addams, *The Spirit of Youth and the City Streets*.)

16. Juvenile crime. (Mangold, *Problems of Child Welfare*, Part V.)

17. The Junior Republic. (George, *The Junior Republic*.)

18. The work of Judge Ben Lindsay of Denver. (Consult an encyclopedia.)

19. The legal aid society. (Smith, *Justice and the*

Poor, part iii.)

20. The Public Defender. (Smith, *Justice and the Poor*, pages 105- 130.)

21. Probation and parole. (Lewis, *The Offender*, part i, chapter v.)

22. The Jukes. (Dugdale, *The Jukes*.)

23. The Kallikak family. (Goddard, *The Kallikak Family*.)

24. The criminal theories of Lombroso. (Consult an encyclopedia.)

25. Modern prison systems. (Henderson, *Modern Prison Systems*. Individual students may be assigned to the study of the prison systems of particular countries.)

26. Industrial training in prison. (Lewis, *The Offender*, part i, chapters x and xii; *Annals*, vol. xlvi.)

27. The discharged convict. (Booth, *After Prison, What*?)

FOR CLASSROOM DISCUSSION

28. Is crime increasing in the United States?

29. The practicability of the indeterminate sentence.

30. Should capital punishment be abolished?

31. Advantages and disadvantages of the "honor system" in prison.

CHAPTER XXII

THE NEGRO

244. ORIGIN OF THE AMERICAN NEGRO.—Early in the seventeenth century the scarcity of labor in the American colonies led to the introduction of African Negroes as slaves. In response to the demand for slave labor on the southern plantations, the importation of Negroes increased steadily during the next century. The slave trade was nominally abolished in 1808, but Negroes continued to be brought in until the Civil War period. In September, 1862, President Lincoln proclaimed abolished both the slave trade and the institution of slavery in the United States. The legality of this act was substantiated in 1865 by the Thirteenth Amendment to the Federal Constitution.

245. RISE OF THE NEGRO PROBLEM.—The Emancipation Proclamation, followed by the

Thirteenth Amendment, conferred freedom upon four million slaves. In 1868 the Fourteenth Amendment made the freed Negroes citizens of the United States, and in 1870 the Fifteenth Amendment enfranchised them. Largely as the result of these measures, the problem of the slave developed into the present Negro problem. The racial differences between the white and the Negro, as well as the demoralizing effects of slavery, promised to render difficult the adjustment of the Negro to American life. The situation was made more serious by the suddenness of emancipation, and by the fact that the vote was extended the Negroes before most of them were ready for it. The economic, social, and political upheaval effected in the South by the war, together with the bitterness with which many southern white men regarded the newly freed Negroes, also contributed to the difficulty of the situation. Lastly, the Negro became a problem because of the lack of a national program in his behalf.

246. NUMBERS AND DISTRIBUTION.—In 1920 the Federal census gave 10,463,131 as the Negro population of the United States. According to these figures the Negro constitutes slightly less than one tenth of our total population. Eighty-five per cent of the Negroes live in the South. In Mississippi and South Carolina the Negro exceeds the white population, while in several other southern states the Negro constitutes from one fourth to one half of the total population.

About three fourths of our Negroes live in the rural districts. There is, however, an important migratory movement which operates to decrease this percentage. There is a growing tendency for southern Negroes to leave the rural districts and to move cityward. Chiefly because of the economic attractions of urban life, many rural Negroes are moving toward the southern city; in search of social equality as well as greater economic opportunities, many southern Negroes are migrating to the cities of the North.

247. ADAPTABILITY OF THE NEGRO.—From one important angle, civilization is the process of getting along with one's environment, partly by changing that environment, and partly by adapting one's self to external conditions. An important characteristic of the Negro, not usually taken into account, is his adaptability. Ours is predominantly a white man's civilization, and we are accustomed to think of the Negro as an individual who finds it more or less difficult to fit into our way of living. And yet one reason for believing that the Negro has a capacity for modern civilization is that he has survived until the present time. Compare the Negro in this regard with the American Indian, who, despite his many noble traits, has fared poorly under the white man's civilization. The Indians of Cuba, for example, were so proud and unbending that they died out under the slavery which the early Spanish imposed upon them; the Negro, because of his teachableness and his passive strength, not only survived slavery, but has

weathered freedom under very disadvantageous circumstances.

248. PROGRESS SINCE THE CIVIL WAR.—The Negro has made considerable progress since the Civil War. Many Negroes have become independent farmers and artisans, owning a considerable amount of property. Despite the backwardness of Negro schools, great progress has been made in the matter of decreasing Negro illiteracy. Whereas at the close of the Civil War some ninety per cent of the Negroes were illiterate, less than a third of our present Negro population is illiterate. In art, literature and science the Negro has already made a tolerable showing. Altogether it is likely that an able and constructive leadership is being developed among the Negroes.

249. PRESENT ECONOMIC CONDITION.—In spite of the substantial progress made since the Civil War, however, the present economic condition of the Negro is unsatisfactory. The great majority of Negroes are unskilled laborers of a shiftless disposition. Because he is frequently neither a dependable nor an efficient worker, the average Negro tends to receive low wages. The Negro is not skilled in manufacturing or mechanical lines, and he is kept out of the higher trades and professions by reason of illiteracy and social barriers. Very often the southern Negro is a tenant farmer, carelessly tilling a small plot of land and mortgaging his crop in order to secure the bare necessities of life. Large families, inadequately supported, and reared under insanitary

living conditions, are characteristic of the southern Negro. The failure to save money, and the inability to protect themselves against exploitation by unscrupulous white men, are characteristic weaknesses of many Negroes.

250. PRESENT SOCIAL CONDITION.—Though decreasing steadily, Negro illiteracy is still high. This is a serious evil. Not only does illiteracy bar the Negro from the education and training of which he is in such great need, but it allows unscrupulous persons to swindle and exploit him. The Negro furnishes an abnormally large proportion of our prison population. Whether or not this is partly the result of racial characteristics, it is certain that the bad economic and social conditions surrounding Negro life lead to a high degree of criminality. In justice to the Negro it should be noted that in many communities he is apprehended and convicted more often than is the white culprit. Acts which would go unpunished or even unnoticed if committed by white men often arouse the community and lead to severe punishment when committed by Negroes. Statistics on Negro crime are also influenced by the fact that the poverty of the Negro often causes him to go to jail while the white offender escapes with a fine.

A serious evil is race mixture between Negroes and whites. This has gone on since colonial times, until at the present time probably more than half of the Negroes in the United States have some degree of white blood. Such mixtures, while probably not

disastrous from the standpoint of biology, have unfortunate consequences socially. Generally the mulatto offspring are forced to remain members of the Negro group, where they are subjected to social surroundings which too often encourage disease, vice, and degeneracy. The majority of the states now have laws forbidding marriage between Negroes and whites. Both white and Negro leaders agree that race mixture ought to be stopped.

251. PRESENT POLITICAL CONDITION.—The Fifteenth Amendment declared that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude." Yet in many southern states the Negro is barred from the polls. In many northern cities where the Negro is allowed the ballot, his ignorance and irresponsibility make him the prey of political "bosses" who control his vote. The question of Negro suffrage will be treated later; [Footnote: See Chapter XXXIII.] here we may content ourselves with noting that the Negro's right to vote is often restricted. In the South, at least, it is also true that the Negro has but little share either in making the laws or in administering them.

252. URGENT NATURE OF THE NEGRO PROBLEM.—The Negro problem was never of more pressing importance than it is to-day. Illiteracy is still perilously high, Negro crime is becoming more serious, and the cityward tendency of the Negro is

increasing his susceptibility to disease and vice. In spite of prohibitive laws, racial intermixture is continuing, and the problem of the mixed blood is becoming more and more acute. Social unrest among the masses of southern Negroes is increasing. The World War created new aims and aspirations among thousands of Negroes. New leaders are arising to preach racial equality for the Negro; old leaders are in many cases becoming more impatient with the attitude of the white population.

253. HESITANCY IN ATTACKING THE PROBLEM.—The American people have been singularly backward about grappling with the problem of fitting ten million Negro citizens into the fabric of American democracy. One explanation of this backwardness is that until recently many have believed that the Negro would die out under freedom. This expectation has not been realized, for while the Negro population is increasing less rapidly than is the white population, it is nevertheless increasing. The Negro is not dying out. Nor can he be deported to Liberia or other colonies, as was often suggested in the last century. The Negro is here to stay, and his problems must be solved.

254. NEED OF A CONSISTENT PROGRAM.—Many institutions and individuals have attacked various phases of the Negro problem with courage and success, but we are in need of a unified and comprehensive program rather than of a series of unrelated endeavors. Above all what is needed is not

impassioned opinion or cure-all schemes, but rather the development of a sound and comprehensive program which shall attack the problem from a number of angles at the same time. Such a program must have a double end in view: First, the immediate needs of the Negro must be met; second, we must permit the Negro to be trained toward a position in which he will be able to play a useful and honorable role in our national life. Thus the great comprehensive purpose of this program is to help the Negro adapt himself to American life, to aid him in fitting in with our economic, social, and political institutions, and to encourage him to contribute to the development of American culture to the best of his ability.

255. EDUCATION.—Education is the most important element of any program designed to help the Negro. Ability to read and write, the habit of study, training in correct thinking, all are of such basic value that it is difficult to understand why we have so long neglected the education of the Negro. We spend three or four times as much for the education of the white child *per capita* as for the education of the Negro child. Negro schools are sparsely distributed; they are poorly equipped, and they are sadly hampered by lack of competent teachers. Clearly we must spend vast sums on Negro education, if we are to expect marked improvement in the Negro's social and economic condition. We cannot expect the Negro to cease being a problem

until he has been trained in the fundamentals of citizenship. "The inadequate provision for the education of the Negro," says the Southern University Race Commission, "is more than an injustice to him; it is an injury to the white man. The South cannot realize its destiny if one third of its population is undeveloped and inefficient."

256. ECONOMIC ADJUSTMENT.—The Negro cannot be expected to become a thrifty, responsible citizen until he is rendered capable of earning a decent living at productive work. He must acquire the habit of working steadily and efficiently under a system of free contract. This economic readjustment, many students of the Negro problem believe, will be attained largely through industrial education. We already have several excellent industrial training schools for Negroes, including Hampton and Tuskegee. The latter was made famous by Booker T. Washington, an ex-slave who devoted his life to the economic readjustment of his people.

A great deal more must be done in this direction. In spite of the excellent beginnings made at Hampton and Tuskegee, not more than one per cent of our Negroes have the privilege of industrial education. More adequate instruction is needed in methods of agriculture and stock raising, in the various crafts, and in those professions for which the Negro seems fitted. The South needs labor badly, but she cannot use her millions of Negroes effectively until they are turned into competent and dependable workers. The

Negro appears to have little aptitude for mechanical work, or for mill and factory employment. Diversified agriculture on a small scale seems to be the most promising industry for him, and one in which he ought consistently to be encouraged.

257. THE NEED FOR COÍPERATION.—No permanent solution of the Negro's difficulties can be attained without the friendly co÷peration of all parties concerned. Most of our Negroes live in the South, but the Negro is no more a purely southern question than Japanese immigration is a purely Californian problem. We are one nation, and the problems of one section are the problems of the whole. The South must not be left alone, either to neglect the Negro, or to struggle with his difficulties as best she can. Generous aid must be extended her by the North, East, and West, before we can expect a solution of the Negro question.

Furthermore, there must be co÷peration between the leaders of the Negro and white races, otherwise energy will be wasted and inter- racial bitterness created. Very promising beginnings in this direction have recently been made in the South. Nevertheless it is to be regretted that many leaders, both white and Negro, are still prone to propose "remedies" for the Negro problem which serve their own interests, but which show little or no regard for the rights of the other group, or for the welfare of the nation.

Above all, there must be a firm resolve to work

toward a fair solution, and an earnest desire to be just and humane. Hard and unpleasant facts cannot be argued away, but at least they can be treated rationally. No solution can be reached except through law and order. Neither violence nor deceit can solve this or any other problem. Race riots and lynchings are proof that those who engage in them are unfit to carry on the work of American democracy.

258. THE PROMISE OF THE NEGRO.—There is a good deal of discussion as to whether or not the Negro race is merely backward, or whether it is an inferior race. Those contending that the Negro is only backward believe that ultimately he can be fitted into the fabric of American life; those insisting that he is inferior declare that all attempts to adapt the Negro to American life will prove unavailing.

Academic discussions of this sort are not to the point. As to whether or not the Negro is backward or inferior, and as to precisely what each of these terms implies, there must always be a good deal of dispute. For practical purposes it is enough to admit that the Negro cannot now do many of the things which the average white man can do, and that in so far as this is true, the Negro is less effective as a citizen.

At the same time, it should be frankly recognized that the Negro has shown himself capable of substantial progress. It will be more appropriate to discuss the inferiority of the Negro when he has

failed to react to the most comprehensive, intelligent, and consistent program which we are able to draw up. This we have not yet done, and until it is done, we shall have less cause to deny to the Negro a capacity for civilization than the Negro will have cause to complain of our unhelpful attitude toward him. So far as we now know, there is no scientific justification for believing that the masses of American Negroes cannot ultimately be trained to a useful sphere in American life.

QUESTIONS ON THE TEXT

1. How were Negroes first introduced into this country?

2. When did the modern Negro problem come into existence?

3. What proportion of our population is Negro?

4. Where are most of our Negroes found?

5. What is meant by saying that the Negro is adaptable?

6. In what particulars has the Negro made substantial progress since the Civil War?

7. What is the present economic condition of the Negro?

8. Why is the social condition of the Negro

unsatisfactory?

9. What can be said as to the present political condition of the Negro?

10. Why have we delayed the development of a comprehensive plan for meeting the needs of the Negro?

11. What is the importance of Negro education?

12. Why is the economic readjustment of the Negro important?

13. Discuss the need for co÷peration in meeting the Negro's problems.

14. What is the promise of the American Negro citizen?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,* chapter xxii.

Or all of the following:

2. *Annals* of the American Academy of Political and Social Science, vol. xlix, "The Negro's Progress in Fifty Years," pages 47-58.

3. Washington, *Tuskegee and its People*, chapter i.

4. Williamson, *Sociology of the American Negro*,

chapters xii, xvi, and xxvii.

QUESTIONS ON THE REQUIRED READINGS

1. Discuss the recent decrease in Negro illiteracy. (Williamson, chapter xii.)

2. What difficulty is encountered in applying mental tests to Negroes? (Williamson, chapter xii.)

3. Outline the results of mental tests of the Negro. (Williamson, chapter xii.)

4. Summarize the chief characteristics of the Negro race. (Williamson, chapter xvi.)

5. What Negro faults might be turned into virtues? (Williamson, chapter xvi.)

6. Discuss the role of the mulatto leader. (Williamson, chapter xvi.)

7. What is Tuskegee Institute? (Washington, page 19.)

8. What are the chief aims of Tuskegee Institute? (Washington, page 21.)

9. What was Booker T. Washington's concept of education? (Washington, pages 28-30.)

10. What progress in Negro education has been made since 1880? (*Annals*, pages 51-52.)

11. What four forces retard the economic development of the Negro in the South? (*Annals*, page 55.)

TOPICS FOR INVESTIGATION AND REPORT

II

1. African background of the American Negro. (Williamson, *Sociology of the American Negro*, part i.)

2. Slavery. (Hart, *Social and Economic Forces in American History*, chapter xix; Callender, *Selections from the Economic History of the United States*, pages 768-793; Williamson, *Sociology of the American Negro*, chapter v.)

3. Gains and losses under slavery. (Williamson, *Sociology of the American Negro*, chapter xxiv.)

4. The Negro in business. (Atlanta University Publications, No. 4.)

5. The Negro in professional occupations. (*Annals*, vol. xlix, pages 10-18.)

6. The Negro as an unskilled laborer. *Annals*, vol. xlix, pages 19- 28.

7. The Negro as a skilled worker. (Atlanta University Publications, No. 17.)

8. The system of Negro tenancy. (*Annals*, vol. xlix,

pages 38-46.)

9. The Negro in the city. (Wolfe, *Readings in Social Problems*, chapter xviii; *Annals*, vol. xlix, pages 105-119.)

10. The Negro family. (Atlanta University Publications, No. 13; Tillinghast, *The Negro in Africa and America*, part iii, chapter iii; *Annals*, vol. xlix, pages 147-163.)

11. Negro organizations. (*Annals*, vol. xlix, pages 129-137.)

12. The Negro church. (Atlanta University Publications, No. 8; Tillinghast, *The Negro in Africa and America*, part iii, chapter iii; Washington, *The Story of the Negro*, vol. ii, chapter xiii.)

13. The mulatto. (Williamson, *Sociology of the American Negro*, chapters xx, xxi, and xxii.)

14. Race relationships in the South. (*Annals*, vol. xlix, pages 164- 172; Storey, *Problems of To-day*, chapter iii.)

15. Negro education. (*Annals*, vol. xlix, part iv; Wolfe, *Readings in Social Problems*, pages 769-783; Washington, *The Story of the Negro*, vol. ii, chapter v; Tillinghast, *The Negro in Africa and America*, part iii, chapter iv.)

16. The work of Booker T. Washington,

(Washington, *Up from Slavery*. See also an encyclopedia.)

17. Tuskegee Institute. (Washington, *Tuskegee and its People*.)

18. The Negro's part in the development of the South. (*Annals*, vol. xxxv, pages 124-133; Washington, *The Future of the American Negro*.)

CHAPTER XXIII

THE FAMILY

259. SIGNIFICANCE OF THE FAMILY.—From whatever angle we approach society, the family is the ultimate unit and basis. The whole fabric of civilization, whether considered from an economic, a social, or a political standpoint, depends upon the integrity of the family, and upon the wholesomeness of the home life centering about the father, mother, and children. The home is the nursery of our fundamental institutions: it is the origin of our physical and mental inheritances; it is the center of our training for private and public life; it is the moral and religious fount which nourishes the ideals and

beliefs which fashion our lives and mould our character. A nation built upon decaying homes is bound to perish; a nation composed of normal prosperous families is in a good way to perpetuate itself. It is of the very greatest importance, therefore, that we inquire into the character and tendencies of the American family.

260. THE FAMILY IN THE MIDDLE AGES.—Fully to appreciate the nature of the modern family we must know something of the family as it existed in Europe in the Middle Ages.

Unity was the striking characteristic of the medieval family. Economically it was very nearly self-sufficing, that is to say, most of the food, clothing, and other necessities consumed by it were prepared by the family members. Very little in the way of education and recreation existed beyond the family circle. In religious activities the family played an important role, family worship under the leadership of the father being a common domestic function. The medieval family was stable, partly because legal and religious authority was concentrated in the hands of the father, partly because the family members were economically interdependent, and partly because the social and religious interests of the family members tended to coincide. Divorce was uncommon, and the children generally remained in the home until their majority had been attained.

261. THE FAMILY IN MODERN TIMES.—We have already seen that since the close of the Middle Ages, and especially during the last two centuries, important economic, social, and political changes have been going on in civilized society. In common with other social institutions, the family has been greatly influenced by these changes. The family which we have described as the medieval type has been either destroyed or greatly modified, and a new type is being developed. Probably this new type of family will present substantial gains over the family of the Middle Ages, nevertheless the period of transition is fraught with danger. A great problem of American democracy is to aid in the social readjustment of the family. In order that we may be competent to aid in this readjustment, let us discover in what ways the family has been modified by the economic, social, and political changes referred to above.

262. THE INDUSTRIAL REVOLUTION AND THE FAMILY.—We have examined somewhat in detail the effect of the Industrial Revolution upon our economic life; it remains to be pointed out that the same phenomenon has profoundly affected the character of our most vital social institution, the family.

Directly or indirectly, the Industrial Revolution has affected family life among all classes of the population. To some extent capitalism has given rise to a class of idle rich, living upon the proceeds of

permanent investments, and resorting to extravagance and loose methods of living in order to occupy their time. This development is doubly unfortunate. In the first place it renders difficult the maintenance of normal homes among the idle rich. In the second place, the tendency of certain types of individuals to imitate and envy the idle rich encourages false standards and leads to a depraved moral sense.

To those classes which furnish the majority of our professional men, the complex division of labor has brought a serious danger. So great is the need of specialized training among these groups that marriage is often delayed until after the age of thirty. The individual is then in a better position to support a family, but often his habits are so firmly fixed that he finds it difficult to adapt himself to family life.

Even more important, perhaps, have been the effects of the Industrial Revolution upon the masses of wage earners. Men earning low wages are often unable to marry, or, if they assume that responsibility, they are unable properly to support their families. In spite of the fact that capitalism has greatly increased our material welfare, the dependence of large numbers of people upon day wages increases the hazards of family life. Industrial accidents, occupational diseases, or the interruption of earnings by strikes and unemployment,—any one of these mishaps may work a hardship upon the wage-earner's family. Poverty may induce child

labor, deprive the family of proper food and other necessities, and retard the education of the children. Finally it may so emphasize the elements of strain and worry that parents are unable to give proper attention to the training of their children.

263. THE FACTORY SYSTEM AND THE HOME.—The Industrial Revolution has lessened the economic importance of the home. The typical modern family is no longer self-sufficing, but is dependent upon the factory system for many commodities formerly prepared within the home circle. Spinning, weaving, tailoring, shoe-making, soap-making, and other industries have moved out of the home and into the factory. Even the preparation of food is increasingly a function of agencies outside the home. Especially in cities there has been a steady development of restaurants, delicatessen shops, and factories engaged in the large- scale preparation of bread, canned soups, and other food products.

There is thus less work to be done in the home than formerly; at the same time the development of our industrial life has notably increased the amount of work to be done outside the home. The outcome of these two complementary forces has been that not only the father, but often the mother and the half-grown children as well, have been drawn into industry. As the result of this development, the economic interdependence of the family has been destroyed, and the way has been opened to the disintegration of the home. Social contacts between

family members have decreased, while the specialized character of the individual's daily work has operated to break down the common interests which family members formerly had outside the home.

264. LACK OF PREPARATION FOR HOME-MAKING.—The factory system has rendered more difficult the preparation of our boys and girls for home-making. Where boys go out to work at an early age and are deprived of home training during the adolescent period, neither father nor mother has the opportunity properly to acquaint them with the nature and responsibilities of home-making. Girls very often are reared without adequate knowledge of cooking, sewing, and other household arts. This is due, partly to the transfer of many of the domestic functions to specialists beyond the home, and partly to the fact that where girls go into industry they spend most of their time outside the home. In the case of both boys and girls, the decreased amount of time spent in the home not only prevents proper training by the parents, but it stresses outside interests which are too often opposed to domestic ideals. Many parents either allow or encourage their children to acquire frivolous habits. As the result of all of these factors, both young men and young women frequently marry without having been properly prepared for the responsibilities of home-making.

265. DIFFICULTIES OF HOME-MAKING IN

CROWDED CITIES.—With the development of manufacturing, a larger and larger proportion of our people have made their homes in large cities. To many, city life has brought increased opportunities for education and recreation, nevertheless it is difficult to maintain a normal home life in a crowded city. Urban life is highly artificial Simple and wholesome amusements are less common than expensive and injurious forms of recreation. The noise and jar of city life often result in strain and jaded nerves. The scarcity and high cost of house room is, for many city dwellers, an unavoidable evil. The poor are cramped into small, uncomfortable tenements, while even the well-to-do are frequently found in congested apartment houses. Under such circumstances, the home often becomes merely a lodging place. Social life is developed out of, rather than in, the home. For the children of the poor there is often no yard and no adequate provision for recreation. Among the rich, conditions are somewhat better, though in fashionable apartment houses children are frequently objected to by neighboring tenants or banned by landlords.

266. ECONOMIC INDEPENDENCE OF WOMEN.—Until very recently a married woman was economically dependent upon her husband. But one of the effects of the Industrial Revolution has been to make many women economically independent. Women are entering the industrial field with great rapidity, and their presence there is now taken as a

matter of course. Many women now avoid marriage, partly because domestic interests fail to attract them, and partly because they have become genuinely interested in industry. Where domesticity is the ultimate aim, many women delay marriage because self-support renders them both able and desirous of retaining their independence for a considerable period.

Domestic tranquillity is sometimes disturbed by the fact that wives were formerly self-supporting girls. In most cases wives are dependent upon their husbands in money matters, a situation which is apt to irritate women who were formerly self-supporting. The husband is often inclined to rate the generalized character of housework as being of less importance than his own highly specialized work. The wife's irritation at this may be increased by the fact that often she, too, believes that her domestic duties are less dignified and less valuable than her former work.

Not only has the former independence of the wife made her less tolerant of domestic wrongs and slights, but the realization that she can support herself, frequently encourages her to seek a divorce. The temptation to take this step is increased by the fact that public opinion now rarely frowns upon a divorced woman. This is in striking contrast to the situation two hundred years ago, when most divorced women were not only unable to support themselves, but were socially ostracized.

267. POLITICAL EMANCIPATION OF WOMEN.—Until very recently women have been legally and politically subordinate to men. As recently as a century ago women in the leading countries of the world were allowed neither to vote, nor to contract debts in their own name, nor to hold or will property.

But within the last century women have been emancipated politically. Property rights have been extended them; the growth of the woman's movement has resulted in the winning of female suffrage. Economic independence and social freedom have combined with political emancipation to emphasize the spirit of individualism among women. Politics and club work have, in the eyes of many wives and mothers, become more attractive than domestic concerns, with a resultant neglect of the home. Higher education for women, including a wider knowledge of legal matters, has acquainted women with their legal rights and privileges, and has made them familiar with the steps necessary to secure a divorce.

268. INDIVIDUALISM MAY BE EXAGGERATED.—The American people are celebrated for their strongly individualistic character. This trait is closely related to the initiative and self-reliance which have helped toward our industrial success; on the other hand, individualism may be carried to the point of selfishness. It is desirable, of course, that both men and women maintain high standards of living, and

that they cultivate their respective personalities. It should be noted, however, that marriage is often delayed or altogether avoided because of selfish ambition and the desire to live a care-free and self-centered life. The insistence which many young people place upon personal rights has encouraged the belief that marriage is intended for man's and woman's convenience, rather than for the building of normal homes and the development of community life. In too many marriages the contracting parties selfishly refuse to make the mutual concessions necessary in married life and so wreck their domestic happiness.

269. THE DIVORCE EVIL.—Family instability has been increased by the demoralizing influences which we have been discussing. A familiar symptom of family instability is the divorce rate. One out of every eight or nine marriages in the United States is dissolved by divorce. Not only do we have more divorces than all of the rest of the world together, but our divorce rate is increasing three times as fast as is our population.

The value of these statistics is affected by two factors. In the first place, much domestic unhappiness does not express itself in the separation of husband and wife. Or, where such separation does take place, it may not be through the divorce court. Among the city poor, for example, desertion is four times as common as is divorce. Thus the divorce rate indicates only a share of family instability.

The second modifying factor, however, lessens the force of our divorce statistics. A high divorce rate is to be interpreted with care. Our divorce rate is higher than that of European countries, but it should be remembered that in those countries where customs, laws, and religious beliefs are relatively conservative, families may be held together legally in spite of the fact that they have already disintegrated. Thus family life may be as unstable in a country in which the divorce rate is low, as in a country in which the divorce rate is high.

270. LAXITY OF OUR DIVORCE LAWS.—Although divorce may sometimes be necessary, it is clear that in many of the states of the Union divorce laws are too lax. The practice of the states as regards divorce is divergent: in South Carolina divorce is absolutely prohibited; in the remaining states there is a variable number of grounds upon which divorce may be secured. Divorces are often rushed through the courts, partly because of the overworked character of the divorce tribunals, and partly because public opinion tolerates the lax administration of divorce laws. In some states divorces have been secured in fifteen minutes, being granted without any attempt at solemnity, with no adequate investigation, and with numerous opportunities for collusion between the parties involved. The effect of this laxness has been to encourage the dissolution of the home for trivial and improper causes.

271. THE QUESTION OF STRICTER DIVORCE

LAWS.—Uniform divorce laws among the several states are now being agitated. The essential provisions of such laws may be outlined as follows: It is desirable to have a court of domestic relations, which shall carefully and wisely attempt a reconciliation of husband and wife before divorce proceedings are resorted to. Applicants for divorce should be *bona fide* residents of the state in which the suit is filed, and should be required to reside in the state two years before a decree of absolute divorce is granted. In some states at least, the number of grounds upon which divorce may be secured should be reduced. An adequate investigation should be undertaken, both in order to determine the justice of the suit, and to prevent collusion. The primary aim of the divorce laws should be to allow relief from a vicious and hopelessly wrecked union, but at the same time to prevent the misuse of the statutes by irresponsible and unscrupulous persons.

272. LAXITY OF OUR MARRIAGE LAWS.—The fact that unwise marriages are an immediate cause of divorce leads back to the question of our marriage laws. Marriage laws often permit the mating of couples unfit for home-making. In some states the authorities are not overcareful to prevent the marriage of persons who are mentally defective. There is among the several states no agreement as to the legal age of marriage, and no agreement as to the relationship within which marriage is forbidden.

Hasty unions have been encouraged by the lack of solemnity which characterizes civil marriage. Marriage is more and more a civil contract, devoid of religious sanctions and spiritual associations. Many consider marriage as a civil relation not radically different from any other contract. The effect of this changed attitude has been to encourage the enactment of loose marriage laws, and the careless administration of sound marriage laws.

273. THE QUESTION OF STRICTER MARRIAGE LAWS.—Stricter marriage laws are being advocated in many states. We know far too little about eugenics to warrant prediction as to the type of individuals best fitted to build normal homes, but it is clearly desirable to prohibit the marriage of all mental defectives. There are also good reasons for the restriction of the marriage of minors, of persons between whose ages there is a wide disparity, and of persons who are members of widely divergent races. It would probably check hasty marriages to increase the length of time elapsing between the issuance of the marriage license and the performance of the ceremony. If modern marriages were more distinctly upon a religious basis, it is likely that many persons who now rush thoughtlessly into marriage would be led seriously to reflect upon the significance of the step.

274. LAW NOT THE UTLIMATE REMEDY FOR FAMILY INSTABILITY.—The careful enactment and wise administration of sound laws on marriage and

divorce will undoubtedly check the number of unhappy and unsuccessful marriages. Nevertheless, law is not the ultimate remedy for family instability. Unduly restrictive marriage laws may result in abnormal tendencies among certain classes of the population, while severe prohibitions upon divorce may prevent individuals from securing release from a hopelessly wrecked marriage. Divorce is only a symptom of deeper-lying evils. Really to remove the dangers which threaten the integrity of the family we must go deeper than legislation.

275. ECONOMIC AND SOCIAL READJUSTMENT.—One fundamental method of safeguarding the family is to counteract the injurious effects of the Industrial Revolution. Poverty must be lessened or eliminated, so that men will be enabled to marry and support families decently. The evils of overcrowding must be attacked in the interest of a normal home life. Mothers' pensions and social insurance are desirable methods of protecting the laborer's family against the risks of industry. The prohibition of child labor and the safeguarding of women in industry will also tend to keep the family intact, and to permit proper home training. In short, any measures which will help individuals to adjust themselves to the economic and social changes of the present age will provide a more firm and solid foundation for a normal family life.

276. EDUCATION AND THE FAMILY.—Far more fundamental than legislation on marriage and

divorce is the training of young people toward a fuller appreciation of the responsibilities of home-making. In the problem of family instability, laws reach symptoms, while education attacks causes. By education is here meant not merely formal training in the school, but character-building of every type. This includes training in the home, in the school, and in the church. Only when boys and girls are accorded sound training by these various agencies will they be properly prepared to make homes.

Our whole educational system ought to emphasize the importance of a pure and wholesome family life. The sanctity of the marriage bond, the seriousness of family responsibilities, and the duty to rear a normal healthy family, ought to be impressed upon every boy and girl. Young people should be taught to consider adolescence as a period of preparation for home-building. During this period it is the duty of the boy to fit himself for the proper support of a family, while the girl ought to feel obligated to become familiar with the tasks and duties of housekeeping. The choice of a husband or wife ought to be made, not on the basis of passing fancy, but with regard to a life of mutual service. Extreme individualism ought to be discouraged; personal pleasure ought to be interpreted in the light of marriage as a partnership. Above all, marriage should be faced with the realization that it requires adaptation and concessions on the part of both husband and wife. Mutual consideration and respect

must predominate in the future American family, while the spirit of impatience and selfishness must be eliminated.

QUESTIONS ON THE TEXT

1. What is the significance of the family?

2. What were the essential characteristics of the medieval family?

3. Why is the modern family in a period of transition?

4. Outline the effect of the Industrial Revolution upon the family.

5. To what extent has the factory supplanted the home as an industrial center?

6. Discuss the difficulties of home-making in crowded cities.

7. How have many groups of women become economically independent?

8. Discuss the political emancipation of women.

9. What is the extent of divorce in this country? What two factors must be taken into account in interpreting these figures?

10. To what extent are our divorce and marriage

laws lax?

11. What proposals have been made toward the correction of this evil?

12. Why is law not the ultimate cure for family instability?

13. What is the importance of economic and social readjustment in the problem of the family?

14. What should be the chief aims of education with regard to preparation for home-making?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy* chapter xxiii.

Or all of the following:

2. Burch and Patterson, *American Social Problems*, chapter xxii.

3. Ellwood, *Sociology and Modern Social Problems*, chapters v, vi, vii, and viii.

4. Goodsell, *The Family as a Social and Educational Institution*, chapters xi, xii, and xiii.

QUESTIONS ON THE REQUIRED READINGS

1. Discuss the origin of human marriage. (Ellwood,

pages 97-108.)

2. Distinguish between the maternal and paternal types of family. (Ellwood, pages 110-128.)

3. What was the character of the early Roman family? (Ellwood, pages 132-138.)

4. What influence has Christianity exerted upon the family? (Ellwood, pages 142-144.)

5. Summarize the ways in which industry may disintegrate the family. (Goodsell, pages 461-464.)

6. What is the origin of higher education for women in this country? (Goodsell, pages 439-441.)

7. Discuss the divorce rate in this country. (Ellwood, pages 148-154; Burch and Patterson, pages 315-321; Goodsell, pages 457-459.)

8. Name the various grounds upon which divorce may be secured. (Ellwood, pages 154-157; Burch and Patterson, pages 321-322.)

9. Why is our divorce rate increasing? (Burch and Patterson, pages 322-327.)

10. What proposal has been made relative to a uniform divorce law? (Burch and Patterson, pages 327-328.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Interview an elderly friend for the purpose of discovering how many commodities now produced outside the home were made within the family circle a half century ago.

2. Make a list of the advantages which the city offers over the country or the small town. Make another list showing wherein it is more difficult to maintain a normal home in the city than in the more sparsely settled districts of the country.

3. The extent to which girls and women in your community are going into industrial pursuits.

4. The marriage laws of your state.

5. The divorce laws of your state.

6. What amendments, if any, would you offer to the marriage and divorce laws of your state?

II

7. The primitive family. (Goodsell, *The Family as a Social and Educational Institution,* chapter ii.)

8. The family in the early stages of civilization. (Burch and Patterson, *American Social Problems,* chapter vi.)

9. Influence of Christianity upon the family.

(Goodsell, *The Family as a Social and Educational Institution,* chapter vi.)

10. The family in the Middle Ages. (Goodsell, *The Family as a Social and Educational Institution,* chapter vii.)

11. The English family in the seventeenth and eighteenth centuries. (Goodsell, *The Family as a Social and Educational Institution,* chapter ix.)

12. The family in the American colonies. (Goodsell, *The Family as a Social and Educational Institution,* chapter x.)

13. The feminist movement. (*Annals,* vol. lvi, part i.)

14. The home in the crowded city. (Riis, *Peril and Preservation of the Home.*)

15. Desertion. (Colcord, *Broken Homes.*)

16. Divorce statistics. (Willcox, *The Divorce Problem,* a study in statistics; Lichtenberger, *Divorce*, chapter v.)

17. Uniform divorce laws. (Wolfe, *Readings in Social Problems,* chapter xv.)

18. Education for family building. (*Annals,* vol. lxvii, pages 47- 53.)

FOR CLASSROOM DISCUSSION

19. Should Congress be granted the power, through constitutional amendment, to pass a Federal divorce law?

20. Should men be required to have a minimum income before being granted a marriage license?

21. Is domestic science more or less important now than it was a century ago?

22. Are the chances of a successful marriage greater or less if marriage takes place after both parties are more than twenty-five years of age?

CHAPTER XXIV

DEPENDENCY: ITS RELIEF AND PREVENTION

277. THE MEDIEVAL NEIGHBORHOOD.—Throughout the earlier part of the medieval period the majority of the common people of western Europe lived in small agricultural communities. There was little in the way of trade or travel, for the area comprising the village or the feudal manor was

relatively self-sufficing. The interests of the people centered almost wholly about the local neighborhood into which they had been born, and in which they lived and died. Life was stable, and the daily work of the peasants entailed few hazards. When, because of illness or accident, individuals were temporarily unable to support themselves, informal aid was extended them by neighbors and friends. In case of a more serious dependency, growing out of physical or mental defect, for example, the aid extended by neighbors might be supplemented by help from the feudal lord. The few strangers in the community found the monasteries always open to them, regardless of the character of their need.

278. BREAKDOWN OF THE MEDIEVAL NEIGHBORHOOD.—During the latter half of the medieval period, and during the earlier part of the modern period, a number of factors combined to break down this early type of neighborhood. The Crusades, the decay of feudalism, and the Renaissance disrupted the stable, isolated, and self-sufficing life of the medieval neighborhood. The discovery of America and the growth of towns and cities stimulated trade and travel. People moved about more, strangers came into the community, family contacts and friendships were broken, and community life became more impersonal. For many people a change of habitation or of occupation increased the hazards of life, while the decline of the neighborhood spirit made informal aid by neighbors

and friends less available. To meet the growing needs of the dependent classes, the Church extended and improved its system of almsgiving. To a greater extent than ever before the monasteries became havens of refuge for the helpless and friendless. The clergy not only themselves dispensed alms, but encouraged the wealthy laity to do likewise.

Unfortunately, however, the aim of almsgiving in this period was not so much to help the dependent back to self-support, as to increase the piety of the individual dispensing the alms. Pauperism was looked upon as inevitable, and the moral effect upon the giver was generally of more importance than was the use that the needy made of the alms received.

279. RISE OF THE URBAN NEIGHBORHOOD.—The breakdown of the medieval neighborhood was completed by the Industrial Revolution. The factory system drew large numbers of countrymen to the cities. Here they worked long hours in insanitary work-shops, and lived in crowded tenements devoid of many improvements which we now regard as necessary to health and comfort. Home life was disrupted, and neighborhood ties were broken in the process of adjusting agricultural laborers to the factory system. The medieval neighborhood began to be supplanted by a new type of neighborhood, one primarily urban and impersonal in character. This new type of neighborhood brought with it greater hazards for the poor, and at the same time offered fewer opportunities for mutual aid between

neighbors. Under such circumstances, the problem of dependency became increasingly serious.

280. EXTENT OF DEPENDENCY IN MODERN TIMES.—One of the vital problems of American democracy is the proper care of those individuals who are unable, either to support themselves, or otherwise to protect themselves against the hazards of modern life. The extent to which individuals are dependent for help upon agencies outside their family circle is unknown. Statistics are meager, and the complex nature of dependency renders it difficult of measurement. Perhaps a reasonable estimate of dependency in the United States is that at some time during the year about five per cent of the population seeks charitable assistance. The total amount expended annually for the care of the dependent classes in the United States is more than half a billion dollars.

281. CAUSES OF DEPENDENCY.—The causes of dependency in a modern community are difficult to analyze. Generally the applicant for charity is not in a state of dependency because of a single isolated cause, but because of a number of combined causes, interlocking in a most confusing way. In the effort to throw light upon this tangled situation, let us briefly survey the problem from the economic, social, personal, and political viewpoint.

From the economic viewpoint much dependency is the result of maladjustments in industry. Most

laborers have little or no savings, so that when unemployment, strikes, industrial accidents, or crises interrupt their earnings, they are soon forced to fall back upon charity. Economic causes figure in from fifty to eighty per cent of charity cases, either as minor or major factors. In the majority of these cases the unemployment or other handicap of the laborer is due to industrial maladjustments beyond his power to control.

Closely connected with the economic causes of dependency are the social causes. The crowding of large numbers of workmen into cities leads to abnormal living conditions, which encourage ill-health, disease, and vice. Among unskilled laborers, poverty and the large number of children often prevent the young from securing a helpful amount of education. The lack of wholesome and inexpensive recreation, and the existence of costly and injurious forms of entertainment, encourage unwise expenditure of savings, and, to that extent, may influence dependency. Child labor and the employment of mothers in industry prevent a normal family life, and may be intimately associated with illiteracy, low moral standards, and pauperism.

Often indistinguishable from social causes are the personal causes of dependency. Laziness, irresponsibility, and thriftlessness figure in from ten to fifteen per cent of charity cases. Penniless old age is often the outcome of bad personal habits in youth and middle life. Idling, gambling, and other vicious

habits are important causes of pauperism. Sickness is a factor in at least a third of charity cases, while disease figures in seventy-five per cent of such cases. Physical or mental defect is of great importance in dependency, often accompanying bad personal habits as either cause or effect. The feeble-minded, the epileptic, and the insane constitute a serious burden upon the community.

Defects in government have in some cases either encouraged dependency, or have perpetuated it. In so far as we have neglected legislation designed to reduce the force of industrial maladjustments, political factors may be said markedly to influence dependency. Our tardiness in protecting the labor of women and children is certainly responsible for a share of dependency. Our failure to adopt a comprehensive program of social insurance has added to the burden upon charity. Housing is receiving more and more attention in our cities, yet the living quarters in many districts continue to be sources of ill-health and vice. Probably we shall eliminate a share of dependency when we shall have established a comprehensive system of state and Federal employment bureaus. The wise restriction of immigration is also important, as is the matter of vocational education for the unskilled classes.

282. THE GIVING OF ALMS.—Until the period of the Reformation in Europe, the distribution of alms by the clergy and by pious laymen was the chief method of dealing with the problem of dependency.

Then the Reformation crippled the temporal power of the Church, and ecclesiastical almsgiving declined in importance. The place formerly held by the Church was filled, partly by public almshouses or workhouses, and partly by indiscriminate and unorganized almsgiving on the part of kind-hearted individuals. Individuals distributed alms chiefly to dependents with whom they were personally acquainted, and whose needs could be effectively met without their being removed to an institution. Wandering dependents, and unfortunates whose needs were relatively serious and permanent, were cared for in the almshouse. This latter institution developed very early in England, and appeared in colonial America in the seventeenth century. Until about 1850 it was often the only institution in American communities which cared for the helpless adult dependent. The almshouse, as it existed in this country a few decades ago, has been described as a charitable catch- all, into which were crowded paupers, the insane, the feeble-minded, the blind, the orphaned, and other types of dependents.

283. ALMSGIVNG PROVES INADEQUATE.—The attempt to meet the problem of modern dependency solely by the giving of alms illustrates the difficulty of employing an ancient and simple method of treatment for a disease which has become highly complex.

Almsgiving by individuals very often pauperizes rather than helps the individual to help himself.

When the dominant aim of the almsgiver is to satisfy himself as to his piety, it is only by accident that the alms really help the recipient. Very often what is needed is not money or material aid in other form, but wise direction and friendly advice. There is still a great deal of unwise and indiscriminate almsgiving by individuals, but the spread of new ideals of social help is probably cutting down the amount.

The almshouse, as it existed in the last century, was productive of much evil. Very often superintendents were allowed to run these institutions for personal profit, a practice which allowed the exploitation and neglect of the inmates. The practice of herding into this generalized institution every variety of dependent had great drawbacks. Specialized care and treatment were impossible. Disease was transmitted, and vice encouraged, by the failure properly to segregate various types of dependents. Inmates were in many cases allowed to enter and leave the institution at will, a privilege which encouraged shiftlessness and improvidence.

284. THE EVOLUTION OF NEW IDEALS.—After the middle of the last century our attitude toward the dependent classes began to change rapidly. There was a gradual abandonment of almsgiving as the sole method of attacking dependency. Rising standards of conduct contributed to the development of new ideals, some of them now fairly well established, and some of them still in the formative process. The

general content of these new ideals may be briefly described as follows:

The primary aim of those who come in contact with the dependent classes should be to help those classes, rather than to satisfy pious aspirations or to indulge sentimental promptings. Rather than believing that alms are helpful because they are gratefully received, we should first discover what will help the dependent, and then train ourselves and him to take satisfaction in that which is helpful.

Poverty is not to be taken for granted. It is neither inevitable nor irremedial. It is a social disease which we must attack with the aim of destroying.

When individuals are found in an emergency they should be given relief, regardless of personal merit. The extension of relief in case of fire, flood or other accident is only an act of humanity.

A different and more productive form of help is remedial work. This type of work often accompanies and follows relief work. It is corrective, for example, the finding of employment for a friendless man, or the medical treatment of a sick man, is remedial work.

A still higher form of social work is preventive. Hand in hand with the giving of work to friendless men, and the curing of sick men, for example, we must undertake measures which will prevent a

recurrence of unemployment on the one hand, and illness on the other. Preventive work is often indirect, but ultimately it is the most important type of social work.

Recently there has been a reaction against almsgiving or pure charity, and a distinct tendency to develop what may be called the concept of social service. Charity is too often concerned with the pauper class; social service is a wider term and includes not only what was formerly known as charity, but also child welfare, settlement work, folk dancing, and other socializing activities which are helpful in a modern community, but which have nothing to do with alms. Charity too often pauperizes and degrades; social service encourages self-help and self-expression in the vital social relations. Formerly charity was almost exclusively the function of the pious and the sympathetic; the present tendency is for social service to become a distinct profession, administered by highly trained specialists.

285. THE STAGE OF SPECIALIZATION.—One of the signs that we are recognizing the growing need of an individualized treatment of dependents, is the degree to which our social service agencies are becoming specialized. The treatment of the dependent may take either an institutional or a non-institutional form. Let us briefly notice the specialization in each of these forms.

The almshouse, almost universal a century ago, is being rapidly displaced by a series of specialized institutions. In most states there are now separate institutions for the treatment of the pauperized, the diseased, the blind, the deaf, the insane, the feeble-minded, and the otherwise dependent. Inmates of these institutions are given special treatment by experts. When the defect has been remedied, the patient is released; in case remedy is impossible, the individual is segregated and accorded humane and sympathetic treatment during the rest of his life. This prevents the untold harm of releasing defective and irresponsible people into the community. Institutions of this character are largely under state control, and are intended primarily for individuals who cannot be properly treated in their homes.

Dependents who are only slightly or temporarily handicapped, or who are not in need of special treatment, may be best cared for in their homes and by private individuals or associations. In this non-institutional form of social service there is also a high degree of specialization. The casual almsgiver has been succeeded by a whole series of social service agencies. Prisoners' aid societies, employment bureaus, immigrant aid societies, flower missions, Americanization clubs, recreation centers, housing clubs, community nursing clubs, and scores of other organizations have sprung up. Every large city in the United States has several hundred of these organizations, each attacking social problems of a

special type.

286. NECESSITY OF COÍRDINATION.—Specialization in social service has been followed by the development of means of co÷rdinating the various specialized agencies.

That there is urgent need of such co÷rdination has been repeatedly called to our attention. It is still true that often the institutions for the dependent classes within a single state pursue different methods, and so limit their separate fields that many types of dependents are inadequately cared for.

Among the large number of private agencies there has been a great waste of time and energy. The fact that each society is independent of its fellows has meant that in some fields of social service efforts were duplicated, while other fields were neglected. Cases demanding treatment by several agencies could not be given adequate care because of the lack of correlation among such agencies. Beggars often imposed upon a number of different societies by assuming different names. Each society had its own periods of campaigning for funds, a practice which meant an excess of tag-days and campaigns and a waste of time and energy on the part of social workers.

287. COÍRDINATION OF PUBLIC INSTITUTIONS.—The co÷rdination of public institutions for the dependent and defective classes proceeded rapidly

after 1880. At present the situation in the various states is somewhat as follows:

The actual administration of local institutions is generally in the hands of the town or county authorities. Large cities, however, often have a system of institutional relief separate from that of the county in which they are located. In many states the local authorities are subject to some measure of central supervision by a state board, which is called by various names. In most cases this is merely an advisory board with power to inspect state institutions, and to make recommendations to the governor or state legislature. More recently, there is a tendency to go still further, and to reorganize and consolidate the various state institutions so as to bring them directly under the control of a state board or commission. In several states the board is already one of control, that is to say, it has the power not only to inspect the various institutions of the state, but also the power to appoint their superintendents, and, in general, to administer the institutional relief of the state.

288. COÍRDINATION OF PRIVATE AGENCIES.—The movement to co÷rdinate social service agencies of a private nature has been relatively slow and unsatisfactory. This has been due, partly to the large number of societies involved, and partly to the lack of any centralized authority to supervise such organizations. In some large cities there has been a considerable degree of consolidation among societies

which are purely charitable, but among the large number of social service organizations which are not purely charitable, the co÷rdinating process has not gone beyond the functional stage. In this stage the various social service agencies of a city remain separate and distinct, but may become members of a council or federation which serves to co÷rdinate their various functions. [Footnote: In this functional co÷rdination the "consolidated" or "united" charities of the city generally appear as a single organization.]

The aim of this functional co÷rdination is to secure the greatest degree of co÷peration possible without the actual amalgamation of the co÷perating agencies. Imposition by beggars is unlikely, because a clearing house of information keeps the various agencies informed as to the work of one another. By periodic reference to a centralized system of card indices, different societies may keep informed to what types of social work are being duplicated, and as to which lines of effort are being neglected. Where the social service agencies of a city are thus co÷rdinated, an applicant applies to the central agency and is then directed to the organization best suited to meet his needs. Such co÷rdinating agencies stress the necessity of scientific work which will aid in the adjustment of personal relations and help secure the maximum of result with the minimum of expenditure.

289. THE NEIGHBORHOOD OF THE FUTURE.—The small, stable, and relatively unprogressive

neighborhood of the early European period has disappeared before the important economic, social, and political changes of the last five centuries. The typical neighborhood of modern times is larger, more inclined to be made up of transient and dissimilar types of people, and more impersonal. It is more progressive, but more likely to hold hazards for the average individual. The whole period since the Industrial Revolution has been one of neighborhood readjustment, of which many aspects of the problems of crime, the family, and dependency are phases. The new type of neighborhood has probably come to stay, but there are indications that life in the community of the future will prove less and less hazardous. The development of professional social service, growing out of the charity movement, but now embracing community work of every kind, will probably lessen the evils of the modern neighborhood, and retain its desirable features.

QUESTIONS ON THE TEXT

1. Describe the character of the medieval neighborhood.

2. What factors contributed to the breakdown of the medieval neighborhood?

3. What effect did the Industrial Revolution have upon the neighborhood?

4. What is the extent of dependency in modern

times?

5. What are the economic causes of dependency?

6. What are the social causes of dependency?

7. What are the personal causes of dependency?

8. How may defects in government contribute to dependency?

9. Discuss the giving of alms in early Europe.

10. Why is almsgiving inadequate as a method of treating dependency?

11. Outline the new ideals which recently have begun to influence the treatment of the dependent.

12. What is the nature of social service?

13. Discuss specialization in social service.

14. Why is co÷rdination a necessary step when social service agencies have become highly specialized?

15. What may be said as to the character of the neighborhood of the future?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxiv.

Or all of the following:

2. Devine, *Misery and its Causes*, chapter v.

3. Devine, *Principles of Relief*, chapter ii.

4. Guitteau, *Government and Politics in the United States*, chapter xiv.

5. Warner, *American Charities*, revised edition, chapters iii and xxii.

QUESTIONS ON THE REQUIRED READINGS

1. Why is it difficult to classify the causes of poverty? (Devine, Misery and its Causes_, pages 167-169.)

2. What are the objective causes of dependency? (Warner, page 41.)

3. What are the subjective causes of dependency? (Warner, page 42).

4. What is the Charity Organization Society? (Warner, page 450.)

5. Why did the Charity Organization Society arise? (Warner, page 451.)

6. Where did the first society of this type arise? (Warner, page 451.)

7. Discuss the methods of the Charity Organization Society. (Warner, page 458.)

8. What is the nature of the machinery employed by the Charity Organization Society? (Warner, page 458.)

9. What are the essentials of a sound relief policy? (Devine, *Principles of Relief*, page 13.)

10. Under what circumstances should charitable aid be refused? (Devine, *Principles of Relief*, page 21.)

11. What is meant by the term "medical charities"? (Guitteau, page 154.)

12. What is the great aim of social service? (Devine, *Misery and its Causes*, page 235.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a study of your neighborhood with regard to some or all of the following points: (a) Increase in population (b) Changes in the racial type of the population (c) Changes in the occupational tendencies of the population (d) Changes in the spirit of neighborliness (e) Changes in the administration of relief to dependents.

2. Study the causes of dependency in your community with regard to the influence of economic, social, personal and political factors. (For this information, interview local social workers.)

3. Study an actual charity case, and make a diagram or sketch showing the number of factors involved.

4. Make a visit to an almshouse (sometimes called the poorhouse), and report to the class upon conditions there.

5. List and classify the types of institutions which care for dependents in your state.

6. The extent to which institutions for the dependent have been co÷rdinated in your state.

7. Classify the agencies which are performing some type of professional social service in your community.

8. Interview a local social worker with regard to his or her ideals of social service. (Compare the result with the ideals set forth in Section 284 of this chapter.)

II

9. The personal causes of degeneration. (Warner, *American Charities*, chapter iv.)

10. The social causes of degeneration. (Warner, *American Charities*, chapter vi.)

11. Desertion. (Devine, *Principles of Relief*, chapter xi.)

12. Dependent children. (Devine, *Principles of Relief*, chapter ix; Warner, *American Charities*, chapter xii.)

13. Relief in the home. (Devine, *Principles of Relief*, chapter vi.)

14. Relief in disasters. (Devine, *Principles of Relief*, part iv.)

15. Beggars and impostors. (Conyngton, *How to Help*, chapter ix.)

16. Volunteer work in charitable relief. (Devine, *The Practice of Charity*, chapter vi.)

17. The social settlement. (Conyngton, *How to Help*, chapter xxvi.)

18. The insane and the feeble-minded. (Warner, *American Charities*, chapters xiv and xv.)

19. Medical charities. (Cabot, *Social Work*; Henderson, *Introduction to the Study of the Dependent, Defective and Delinquent Classes*, part ii, chapter viii.)

20. Organization of charity in England. (Henderson, *Introduction to the Study of the Dependent*, etc., chapter iv.)

21. Organization of charity in France. (Henderson, *Introduction to the Study of the Dependent*, etc., chapter ix.)

22. Organization of charity in Holland. (Henderson, *Introduction to the Study of the Dependent*, etc., chapter v.)

23. Organization of charity in Germany. (Henderson, *Introduction to the Study of the Dependent*, etc., chapter i.)

24. The spirit of social work. (Devine, *The Spirit of Social Work*.)

25. Tendencies in social service. (Warner, *American Charities*, chapter xxiii.)

FOR CLASSROOM DISCUSSION

26. To what extent is the number of inmates in institutions for the dependent classes an accurate guide to the extent of dependency throughout the state or nation?

27. Should all institutions for the dependent classes be placed under the direct control of the state authorities?

28. Should the state authorities attempt to administer relief to dependents who remain in their homes?

29. Should the giving of alms by individuals be abandoned in favor of the practice of treating dependency entirely through professional or official

agencies?

30. What should we do when street beggars ask us for money?

CHAPTER XXV

RURAL LIFE

290. THE SIGNIFICANCE OF RURAL LIFE.—Agriculture is our oldest and most basic industry. Almost half of our people are found in the rural districts, most of them subsisting directly upon the products of farm, forest, and range. Directly or indirectly our cities are largely dependent upon the country. The foodstuffs consumed in cities, as well as the vast quantities of raw materials used by our manufacturing industries, come largely from the rural districts. To some extent even our urban population is recruited from the ranks of the country folk. Altogether, American rural life is a matter of vital concern to the nation. "Our civilization rests at bottom," Theodore Roosevelt once said, "upon the wholesomeness, the attractiveness, and the completeness, as well as the prosperity, of life in the

country."

291. NATURE OF THE RURLAL PROBLEM.—Contrary to popular belief, the rural problem arises not so much from the actual degeneration of rural society, as from the fact that many rural districts have failed to progress as rapidly as have urban communities. Compared with his predecessor of a century ago, the farmer of to-day is better fed, better clothed and housed, and better able to secure adequate education and recreation. At the same time the relatively greater advances which urban communities have made in economic and social activities render the improvement of rural life highly desirable. The specific problem of rural life is to develop in the country economic and social institutions which are especially adapted to the farmer's needs. Not until this is done shall we be able to maintain on our farms a class of people who can make the maximum contribution to American life in all of its phases.

292. THE RURAL PROBLEM IS OF RECENT ORIGIN.—The most spectacular development in American economic life has been the introduction and growth of the factory system. Commerce and manufactures were important during even the colonial period, and during the first half century of our national history our dominant economic interest was the fostering of manufacturing, domestic trade, and transportation. With the development of manufacturing came the growth of the cities, and

with the growth of the cities added attention was called to immigration, crime, health, and related social problems. Farm life, so familiar and apparently so healthful, was not thought of as constituting a national problem until late in the nineteenth century.

293. THE CITYWARD DRIFT.—A half century ago more than three fourths of our population was rural; to-day less than half of the people of the United States live in the country. Both urban and rural districts have been steadily increasing in population since the opening of the nineteenth century, but since 1900 the city population has increased three times as fast as has the rural population. One reason for this more rapid growth of the cities is that since the eighties the majority of our immigrants have flocked to the cities rather than to the rural districts. Another reason, however, is that the country people have been drifting to the towns and cities. This cityward drift has an important bearing upon the character of rural life.

294. REASONS FOR THE CITYWARD DRIFT.—A number of factors explain the tendency of rural people to move to the cities. The perfection and wider use of farm machinery have decreased the need for farm laborers, and the excess laborers have gone to the towns and cities. The fact that urban industries offer shorter hours, better pay, and cleaner work than does farming has attracted many young country people. The isolation of farm life and its frequent lack of comforts have impelled many

country dwellers to move to the cities. Some country people have gone to the city in order to be near schools and churches, and in order to have access to competent doctors and well-equipped hospitals. The craving for a more fully developed social life than many rural districts afford, has been an additional cause of the cityward drift. Unfortunately, the glamour of urban life, with its spectacles and its artificial pleasures, has also been a factor in the movement away from the country.

295. WHEREIN THE CITYWARD DRIFT IS DESIRABLE.—In some respects the cityward drift is a desirable development. When laborers who are no longer needed on the farms move cityward, the cityward drift may have the beneficial effect of removing such laborers to where they can find employment. It should also be remembered that successful rural life requires qualities which may be lacking in many individuals born and raised in the country. In so far as the cityward drift is composed of such individuals, it may be a helpful movement, since individuals unsuited to rural life may find themselves adapted to some type of urban life. When unneeded and unhelpful individuals are removed from the country, the rural population may be more efficient and more prosperous, even though relatively more sparse.

296. WHEREIN THE CITYWARD DRIFT IS UNDESIRABLE.—In so far as the cityward drift brings to the city individuals unsuited to urban

conditions, the movement away from the country may be undesirable. It is certainly undesirable when the individuals in question are really suited to rural life. The tendency of young people to move to the cities may ultimately deprive the country of its natural leaders. Certainly the colleges and factories of the cities often drain the country of its most able and ambitious boys and girls. The cityward migration of such persons may strengthen the urban population, but it weakens rural society and retards the progress of rural institutions.

297. STATUS OF THE "BACK TO THE LAND" MOVEMENT.—Some reformers have sought to offset the cityward drift by an artificial "back to the land" movement. In so far as it would bring to the country persons really able to contribute to rural life, this movement is a desirable one. In so far as it would bring to the country persons unprepared or unable to adapt themselves to rural conditions, such a movement is injurious. On the basis of the data now available, we are warranted in concluding that the "back to the land" movement is founded upon sentiment and caprice rather than upon sound principles. It attacks the rural problem at the wrong end. If the natural leaders of the country are repelled by rural life and attracted by urban conditions, the remedy is not to create an artificial movement toward the country, but rather to make rural life so attractive that country boys and girls will prefer it to city life. The chief question before us is this: How

can the country be made so attractive that individuals interested in, and suited to, rural life may be encouraged to lend themselves to its fullest development? Let us see what is being done toward answering this question.

298. HOW THE FEDERAL GOVERNMENT IS HELPING TO MAKE RURAL LIFE ATTRACTIVE.—The material prosperity of the American farmer is due, in considerable part, to the activities of the Federal government. For more than a half century the Department of Agriculture has systematically encouraged various phases of agricultural industry. The Department conducts investigations and experiments designed to give farmers helpful information concerning soils, grains, fruits, and live stock. It distributes seeds gratuitously, and attempts to encourage scientific methods among farmers. The Department issues a Year-book, a Monthly Weather Review, a Crop Reporter, and a series of Farmers' Bulletins. Among the more important subdivisions of the department are the bureau of animal industry, the bureau of soils, the bureau of markets, and the office of farm management. The work of the Department of Agriculture is ably supplemented by the work of the Reclamation Bureau, which, under the direction of the Secretary of the Interior, is increasing the productivity of waste and arid lands.

299. THE FEDERAL FARM LOAN ACT.—The growing need of credit facilities among farmers resulted in 1916 in the passage of the Federal Farm

Loan Act. By the terms of this act, the United States is divided into twelve districts, in each of which a Federal land bank is established. A Federal Farm Loan Board has general charge of the entire system, but each Farm Loan Bank is allowed a large measure of freedom in its own district in the organization of local Farm Loan Associations. A local association is made up of a number of farm owners, or persons about to become owners, who desire to borrow money. The Bank will not deal with the individual farmer except through the local association, but when a farmer has been vouched for by this association, he may receive from the Bank of his district a loan at not more than six per cent interest. The Bank authorizes loans for the purchase or improvement of land, for the purchase of live stock, and for the erection of farm buildings. Loans must be secured by first mortgages not exceeding in amount fifty per cent of the assessed value of the land and twenty per cent of the value of the improvements thereon pledged as security. Loans may run from five to forty years, and provision is made for the gradual payment, in small sums, of both principal and interest.

300. MARKETING NEEDS OF THE FARMER.—A problem vitally affecting not only the farmer but the urban consumer as well, has to do with the marketing of farm produce. The price of farm produce often doubles or trebles between the farm and the urban kitchen. This is largely because of a

cumbersome marketing system and an overabundance of middlemen. Often the farmer gets entirely too little for his produce, while the city housewife pays too much for it. If the farmer is to secure a larger return for his labor, and if the cost of foodstuffs in cities is to be reduced, we must devise more efficient methods of marketing farm produce.

There is a general agreement among experts that in the marketing of farm produce there ought to be some method of securing the co÷peration of farmer, urban consumer, and government. The further improvement of country roads, together with the development of trolleys, motor trucking and other means of farm-to-city transport would reduce haulage charges. The number of public markets in cities should be increased, so that farm produce might be sold to consumers without the interference of unnecessary middlemen. The grading and standardization of farm products would also facilitate sale by making it unnecessary for prospective purchasers minutely to examine goods offered by the farmers. In some cases farmers might advantageously sell their produce directly to urban consumers. The co÷perative marketing of farm produce, also has the effect of reducing the number of middlemen. [Footnote: See Chapter XII, Section 116.]

One of the most important phases of marketing reform is the regulation of commission dealers. Many farmers commonly ship their produce to commission

dealers in the city. These dealers are supposed to sell this produce and to return to the farmer the money thus secured, minus a small commission. In many instances these middlemen return to the farmer smaller sums than market conditions entitle the farmer to. At the same time, commission dealers often add an excessive amount to the price which they in turn ask of retailers and consumers. In a few states commission dealers handling farm produce must now be licensed. They are obliged to keep records which will enable an inspector to tell whether or not they have made false returns to farmers concerning the condition of goods on arrival, the time at which sold, and the price secured. A dealer convicted of dishonest methods loses his license. The future should see an extension of this licensing system.

301. OTHER ECONOMIC NEEDS OF THE FARMER.—The economic position of the farmer has been materially strengthened within the last forty years, yet much remains to be done before farming may be considered an altogether satisfactory and attractive occupation. Tenancy in rural districts needs to be studied carefully. Tenancy is not necessarily an evil, especially where it is a step toward ownership, but its rapid increase in this country has caused many serious problems to arise. From both the economic and the social point of view it is desirable that farmers own their land. Tenants have no permanent interest in the upkeep of the farm

or in the rural community. Where tenancy is widespread, land and buildings deteriorate, and the development of rural institutions is slow.

Machinery is shortening the hours of labor for the farmer, and scientific farming is increasing his efficiency; nevertheless, in most sections of the country rural life still means long hours of hard labor for small returns. Many farmers still work ten hours a day in winter, twelve in summer, and from thirteen to fifteen in the harvest season. Despite this sustained effort, the perishable character of his product, the uncertainty of weather conditions, and his dependence upon commission dealers, too often jeopardize the returns to the farmer.

302. RURAL HEALTH.—We have noticed that in some cases people have moved to the city because in the country doctors tend to be both scarce and poorly trained, while frequently hospitals are inaccessible.

Recently a number of influences are counteracting this relative backwardness. The isolation of the rural dweller is disappearing before the automobile and the telephone. In many sections able doctors are increasingly plentiful. In most rural districts which are near large cities, there is now an efficient system of visiting nurses, free clinics, and health bulletins. Health campaigns are spreading the fundamental principles of sanitation into many of the outlying districts also.

But these measures, while helpful, are only a beginning. In the more isolated rural sections especially, ignorance of sanitary methods is still a serious evil. Many rural dwellers still rely upon traditional but ineffective remedies for common complaints. Quacks having nostrums and injurious patent medicines to sell often prey upon rural communities in which there is no adequate provision for doctors, nurses, and hospitals. Rural diet is often so heavy as to encourage stomach disorders. Farmhouses are in many cases poorly ventilated in summer and overheated in winter. Stables and stock pens are invariably so close to the farmhouse as to render difficult the protection of the dwelling against flies and mosquitoes.

303. THE RURAL SCHOOL.—The chief educational institution in rural districts has long been the small district school, inadequately supported and often inefficiently conducted.

But recently rural education has shown many signs of improvement. In most sections of the country the development of farm machinery has so reduced the amount of manual labor on the farm that rural children are enabled to remain in school for a longer period than formerly. The district school is in many cases being supplanted by the consolidated school. Under the consolidation plan, a single large and well-equipped school-house takes the place of a number of separate, small schools, indifferently equipped. When consolidation is accompanied by improved

means of transporting children to school, the advantages of the plan are numerous. Because consolidation is a more economical arrangement than the old district plan, it allows larger salaries to be offered. This in turn allows the rural school to secure a higher grade of teacher. The trained educator is also attracted by the fact that the consolidation of rural schools allows curricula to be standardized and enlarged. Scientific agriculture and allied subjects are slowly finding their way into the rural grade school. The rural high school is beginning to appear.

In some sections of the country, on the other hand, the rural school is still in an unsatisfactory condition. In a number of states the rural school needs a more intelligent and consistent support from the taxpayers, in order that better teachers, more and better schoolhouses, and better working equipment may be provided. In many sections of the country there is very little understanding of the advantages of school consolidation and the necessity of more adequate rural education. It is desirable that rural schools be more closely correlated with the admirable work being done by experiment stations and agricultural colleges. The agricultural press might well co÷perate with the rural schools in attacking the problems of country life. Without doubt the rural school curriculum should place more emphasis upon practical agriculture and other subjects which will demonstrate the dignity and attractiveness of rural

life. Finally, it is desirable that an increasing use be made of the schoolhouse as a social center.

304. THE RURAL CHURCH.—The rural church, though an older institution than the rural school, is advancing less rapidly. In many sections the cityward drift has drained the able ministers to the city, leaving inferior men to carry on the work of the rural church. Other rural sections have never had the benefit of an able clergy. In every part of the country it often happens that country ministers are not only inadequately trained, but are uninterested in rural problems.

One of the greatest needs of the American farming community, therefore, is for a vitalized church. In many places rural districts are overchurched, and there is great need of some such consolidation as has been developed among rural schools. This development would so decrease the number of ministers needed that higher salaries could be offered. This, in turn, would attract more highly trained ministers to the country. It is also desirable that rural ministers be trained to a keener appreciation of the economic and social problems of the country, with a view to making religion a practical help in solving the problems of everyday life. An efficient and vitalized church could advantageously be used as a focal point for the development of every phase of rural community life.

305. ISOLATION THE MENACE OF RURAL LIFE.—

Isolation may be said to be the menace of rural life, as congestion is the menace of urban life. In many out-of-the-way rural districts isolation has resulted in moral inertia and intellectual dullness. Isolation has weighed particularly hard upon the farmer's wife. Often she is called upon, not only to rear a large family, but to cook and keep house for hired men, raise poultry and garden stuff, and even to help in the fields during the harvest season. In spite of this deadening routine, she has had fewer chances than the farmer to go to town, to meet people, or otherwise to secure a share of social life.

306. COMMUNITY SPIRIT IN THE COUNTRY.—In view of the injurious effects of rural isolation, it is encouraging to note the beginnings of a genuine community spirit in country districts. To a considerable extent this development is the result of improved means of transportation and communication. The coming of the automobile, the telephone, and the trolley, the development of the rural free delivery, the parcel post, and the agricultural press,—all these factors have been important. The farmer has been enabled to share more and more in the benefits of city life without leaving the farm. Even more important, perhaps, improved methods of transportation and communication have stimulated social intercourse among farmers. Co÷peration in church and school work has been encouraged. Clubs and community centers are more practicable where farmers make use

of the automobile and the telephone. The fair and the festival are also proving to be admirable methods of developing the co÷perative spirit in rural life.

The growing realization among students of rural life that a strong and constructive community spirit is not only desirable but possible, is encouraging an interest in rural problems. The development of such a spirit must ultimately stimulate a healthy social life in the country, with a resultant increase in health and prosperity, not only for the farmer but for the nation as a whole.

QUESTIONS ON THE TEXT

1. What is the significance of rural life?

2. What is the nature of the rural problem?

3. Why is the rural problem of recent origin?

4. What is meant by the cityward drift?

5. To what extent is this drift desirable? To what extent is it undesirable?

6. What can be said as to the "back to the land" movement?

7. How does the Department of Agriculture help the farmer?

8. What is the object of the Federal Farm Loan

Act?

9. Why is the marketing of farm products a problem?

10. What are some suggestions for solving this problem?

11. Discuss the recent improvement in rural health.

12. In what way is rural health still in an unsatisfactory condition?

13. What is the purpose of consolidating the rural schools?

14. What can be said as to the condition of the rural church?

15. What is the effect of isolation upon farm life?

16. What has been the effect of improved means of transportation and communication upon community spirit in rural districts?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxv.

Or all of the following:

2. Butterfield, *The Farmer and the New Day*, chapter

iii.

3. Carney, *Country Life and the Country School,* chapter i.

4. Carver, *Rural Economics,* chapter vi.

5. Ely, *Principles of Economics,* chapter xxxix.

QUESTIONS ON THE REQUIRED READINGS

1. In what way is the rural problem threefold? (Butterfield, pages 30- 31)

2. What changes have taken place since 1850 with regard to the size of American farms? (Ely, pages 596-603.)

3. What problem arises in connection with the control of land in this country? (Butterfield, pages 40-41.)

4. Is absentee landlordism a danger in American rural life? (Ely, page 605.)

5. How could farm management in this country be improved? (Butterfield, pages 42-45.)

6. Discuss co÷peration among Danish farmers. (Carver, pages 357-358.)

7. Discuss agricultural credit in Europe. (Ely, pages 611-613.)

8. In what way is rural local government a problem? (Butterfield, page 47.)

9. Name an important defect of the rural church. (Carver, pages 343- 344.)

10. What are the chief organizations which are aiding in the reconstruction of the rural community? (Carney, page 13.)

11. What is the importance of community building in the country? (Carney, pages 9-10.)

12. What is the importance of federating all of the social organizations of a rural community? (Carney, page 16.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Nature of the cityward drift in your section.

2. Extent to which there is a "back to the land" movement in your section.

3. Work of the Federal Farm Loan Bank of your district. If possible, interview a farmer as to the advantages and disadvantages of the Federal Farm Loan system.

4. Work of the agricultural college in your state.

5. Use of the automobile by farmers in your locality.

6. Food markets in your neighborhood.

7. Draw up a program for reducing the cost of food distribution in your section. (Consult King, *Lower Living Costs in Cities*, chapter xiii.)

II

8. Transportation in rural districts. (Vogt, *Introduction to Rural Sociology*, chapter iv; Gillette, *Constructive Rural Sociology*, chapter ix; Waugh, *Rural Improvement*, chapter iii.)

9. The marketing of farm products. (Weld, *The Marketing of Farm Products; Annals*, vol. xlviii, pages 91-238; King, *Lower Living Costs in Cities*, chapter x; Harris, *Co÷peration, the Hope of the Consumer*, chapter iii.)

10. Tenancy. (*Annals*, vol. xl, pages 29-40; Vogt, *Introduction to Rural Sociology*, chapter v.)

11. Rural hygiene. (Ogden, *Rural Hygiene*; Gillette, *Constructive Rural Sociology*, chapter xi; Vogt, *Introduction to Rural Sociology*, chapters vii and viii.)

12. Immigrant communities in the country.

(*Annals*, vol. xl, pages 69-80.)

13. Rural housing. (*Annals*, vol. li, pages 110-116; Waugh, *Rural Improvement*, chapter x.)

14. The country town. (Anderson, *The Country Town*.)

15. The rural school. (Bailey, *The Training of Farmers*, pages 173- 194; Vogt, *Introduction to Rural Sociology*, chapter xv; Galpin, *Rural Life*, chapter vii; King, *Education for Social Efficiency*, chapters iii and iv; Butterfield, *The Farmer and the New Day*, chapter vii.)

16. The country church. (Butterfield, *The Country Church and the Rural Problem*; Gill and Pinchot, *The Country Church*; Carney, *Country Life and the Country School*, chapter iii; Gillette, *Constructive Rural Sociology*, chapter xv; Vogt, *Introduction to Rural Sociology*, chapters xvii and xviii; Galpin, *Rural Life*, chapter xi; *Annals*, vol. xl, pages 131-139.)

17. The Grange. (Carney, *Country Life and the Country School*, chapter iv.)

18. The farmer in politics. (Vogt, *Introduction to Rural Sociology*, chapter xii.)

19. Clubs and organizations in rural districts. (Gillette, *Constructive Rural Sociology*, chapter xiii; Waugh, *Rural Improvement*, chapter v; Galpin, *Rural Life*, chapters viii, x; Vogt, *Introduction to Rural*

Sociology, chapter xiv; *Annals*, vol. xl, pages 175-190.)

20. The Country Life movement. (Bailey, *The Country Life Movement in the United States*; Carney, *Country Life and the Country School*, chapter xiii; Gillette, *Constructive Rural Sociology*, chapter viii.)

FOR CLASSROOM DISCUSSION

21. The relative advantages of life in the city and life in the country.

22. Should immigrants be encouraged to settle in rural districts?

23. Advantages and disadvantages of tenancy from the standpoint of the rural community.

24. To what extent should country people copy the social institutions of the city rather than develop institutions of their own?

CHAPTER XXVI

EDUCATION

307. THE MEANING OF EDUCATION.—A half century ago education might have been defined as the process of acquiring certain types of book knowledge which contributed to the culture of the individual. More recently the concept of education has been broadened and deepened. Present-day education aims not only to add to the culture of the individual, but to vitalize the community as well. Education is no longer limited to the schoolroom, but includes all agencies and activities which in any way help toward a fuller and more responsible citizenship. Education is no longer confined to infancy and youth, but is a life-long process. Our educational system no longer assumes that the needs and capacities of all pupils are similar, but attempts so to diversify training that each individual will be enabled to develop his peculiar powers and to contribute to American life in the manner best suited to his individual ability. Taken in its widest sense, education has seven great objectives. These are health, command of fundamental processes (such as reading, writing, and arithmetic), worthy home-membership, vocation, citizenship, worthy use of leisure, and ethical character. [Footnote: These objectives have been formulated by the National Commission on the Reorganization of Secondary Education.]

308. EDUCATION AND DEMOCRACY.—Two centuries ago the education of the masses was politically a matter of small concern, for most

governments were conducted by a narrowly restricted class. But in a democracy education is fundamental. The idea that the masses should govern themselves is an appealing one, but before self-government is safe a comprehensive educational system must have made substantial inroads upon illiteracy and ignorance. Not only must the citizen of a democracy be individually capable, but his capacity to co÷perate with his fellows must be large. Under an undemocratic government the people rely upon their rulers; in a democracy they must rely upon their own joint efforts. From both an individual and a social standpoint, therefore, democracy demands more of its educational system than does any other form of government.

309. DEVELOPMENT OF EDUCATION IN THE UNITED STATES.—Education was an important concern in most of the American colonies, and especially so in New England. After 1800 the common school system was extended rapidly, the district school passing westward with the pioneer movement. Educational facilities continued to expand and to diversify until at the end of the Civil War period there were more than seven million children in the elementary schools of this country. The period following the Civil War also saw the beginnings of the high school, a characteristic American educational institution which arose to take the place of the older Latin grammar schools and the private academies. Normal schools for the training of

teachers, and colleges and universities for higher education, developed rapidly after 1880. Today there are more than three quarters of a million teachers in the United States, instructing more than 25,000,000 students in institutions ranging from kindergarten and elementary schools to colleges and universities.

310. MERITS OF OUR EDUCATIONAL SYSTEM.—The merits of our educational system are of great significance. We are definitely committed to the ideal of an educated citizenry. It has been the policy of the several states to establish and maintain free public schools. School attendance is compulsory, on full or part time, for children up to a certain age, the age varying from state to state. No public school is sectarian, the freedom of religious thought and action guaranteed by the Federal Constitution having been continued into our public school system. The public schools stimulate democratic tendencies by bringing together large masses of children from all walks of life. Our school system likewise has an Americanizing influence upon a large number of foreigners because their children study in our public schools and then carry into their homes the influence of the school. Within the last quarter of a century our schools have greatly extended their functions, becoming, in many cases, genuine community centers.

311. FINANCIANG THE SCHOOLS.—The substantial advances made in American education during the last century are a cause for

congratulation. At the same time, our standards of education are rising so rapidly that a number of educational problems are becoming acute.

An important problem has to do with the financial support of our rapidly expanding school system. In many states the schools are inadequately supported by the tax payers. In some of these states the public schools are not readily accessible to large numbers of children, while in the schools that are accessible the equipment is often inadequate to the demands made upon it. In many states teachers still receive insufficient salaries.

Our schools ought not to suffer from lack of funds. Ours is the richest country in the world, and our school system is one of the most vital and fundamental of our institutions. Often the failure of taxpayers properly to support the schools is due to either or both of the following causes: First, failure to appreciate the importance of education; second, the lack of accessible wealth as a basis of taxation. The first objection must be met by so perfecting our educational system that taxpayers will be convinced that money invested in schools means large profits in the form of a more efficient and prosperous citizenship. The second objection calls for the reform of our taxation system.

312. CONTROL OF EDUCATION IN THE UNITED STATES.—In the United States education is a state rather than a national function. There is no Federal

administration of schools, each state having its independent system. Each state has a system of elementary education, and nearly every state has a secondary or high school system. Nearly all of the states also have state universities in which instruction is either free or is available at a nominal charge. The public schools are supported chiefly by local taxes and are controlled mainly by the local authorities. In most states local outlays are supplemented, to a greater or less degree, by state contributions. State support is almost always accompanied by a measure of state control, though the extent of this control varies widely among the several states.

313. THE QUESTION OF UNIFORM STANDARDS.—To what extent should there be uniformity within our school system? We have no national system of education, and the lack of co÷rdination between the educational systems of the several states has many undesirable features. Educational standards vary widely from state to state, and often from county to county within the same state. The confusion growing out of this situation has given rise to the demand for the systematization or standardization of our school facilities.

The question is a difficult one. Most authorities believe that education ought not to be centralized under the Federal government, but ought, rather, to remain a state function. But even though it is not desirable to allow the Federal government to take

over the chief educational powers of the state, it is believed by many that some national agency might render valuable service in co÷rdinating the educational programs of the several states. At present many educators feel that the Federal government should insist upon minimum standards in education in the various states of the Union.

Standardization within each state is considered desirable by most authorities. All of the educational facilities of a given commonwealth probably ought to be co÷rdinated under some supervising state agency. The administrative ideal in state education is so to systematize the schools of the state that they will be bound together by a common purpose, guided by the same set of established principles, and directed toward the same social ends.

314. SCHOOL ATTENDANCE.—A serious defect of our educational system arises in connection with school attendance. In many states the school attendance laws are laxly enforced. It is claimed that at no one time is more than three fourths of our school population enrolled in the schools. Of those who do comply with the school attendance laws, there is a considerable percentage which cannot acquire an adequate education within the limits of the compulsory school period. Only about one third of the pupils who enter the first year of the elementary school reach the four-year high school, and only about one in nine is graduated. Of those who enter high school, about one third leave before

the beginning of the second year, about one half are gone before the beginning of the third year, and fewer than one third are graduated.

Within the last decade there has been a marked tendency among the several states to enforce school attendance laws more strictly. No less encouraging is the growing belief among educators that the school attendance period ought so to be adjusted that every child will be guaranteed the working essentials of an education. There is grave doubt as to the wisdom of raising the minimum age at which children may withdraw from school, but at least greater efforts ought to be made to keep children in school at least for part-time schooling beyond the present compulsory period. As will be pointed out presently, much is already being done in this direction.

315. EDUCATION AS PREPARATION FOR DAILIY LIFE.—It is sometimes said that our educational system neglects practical activities for subjects that have no immediate connection with the problems of daily life. Many citizens have thoughtlessly condemned the whole program of education because they have observed that particular schools have allowed pupils to go forth with a fund of miscellaneous knowledge which neither helps them to get a better living, nor aids them in performing the duties of citizenship. On the basis of these and allied considerations, there is a growing demand that education be made more "practical."

There is much to be said for and against this attitude. Some enthusiasts are apparently carrying the demand for "practical" education too far. The growing importance in our industrial life of efficiency and practical training should not blind us to the fact that education is cultural as well as occupational or vocational. The education of an individual is not estimated alone by the degree to which he succeeds in practical affairs, but as well by the extent to which he shows evidence of training in the appreciation of moral, artistic, and literary values. It is sometimes difficult to see that the study of literature, ancient languages, and similar subjects is preparation for life, and yet wise training in these fields may prove as important as studies which aid more directly and immediately in getting a living.

On the other hand, our educational system must take note of the growing importance of industrial activities. Since education is preparation for life, the school must accommodate itself to the changes which are now taking place in our economic and social organization. As modern society becomes more complex, more tinged with industrial elements, more a matter of co÷peration and interdependence, education must become more highly evolved, more attentive to vocational needs, and more emphatic in the stress which it lays upon the actual duties of citizenship.

The more complex the needs of daily life, therefore, the greater the necessity of shifting

emphasis in education. But in thus shifting the emphasis in education we must be careful not to disturb the balance between cultural and "practical" subjects. To discriminate between what should be taught and what should be omitted from the curriculum, to retain the finest elements of our cultural studies, but at the same time to fit our citizens to meet the demands of office, shop, and factory,—these are the tasks of the educator.

316. VOCATIONAL EDUCATION.—Vocational training is one of the most significant developments in modern education. This type of education is designed to train the young person to earn a good living in that branch of work for which he seems best fitted. Some of the supporters of vocational education believe that this specialized form of training ought to be commenced very early and in connection with the regular curriculum. Others think that vocational education should not be attempted until the child has been given enough generalized training to enable him properly to perform the fundamental duties of citizenship.

But whatever its relation to the curriculum, vocational education is of great significance. If combined with vocational guidance it not only prevents the boy or girl from aimlessly drifting into an unskilled occupation, but it singles out for special attention children who show special aptitude for particular trades and professions. Vocational education for the blind, the deaf, the crippled, and

the otherwise disabled is social service of the finest and most constructive type.

317. FEDERAL ENCOURAGEMENT OF VOCATIONAL EDUCATION.—In February, 1917, Congress passed the Smith-Hughes Act, establishing a Federal Board for Vocational Education. This board promotes vocational education in co÷peration with the several states, and administers the Federal aid granted to the states under the Act. Each state accepting the provisions of the Act must provide a state board to control a system of vocational schools. Evening, part-time, and continuation schools offer instruction in agriculture, industry, commerce, transportation, and the professions. Each state must also agree to appropriate, either through the state or locally, an amount of money for teachers' salaries, equivalent to the sum received from the Federal board. Such states must also agree to provide proper buildings and meet the running expenses of the system. In the first year under this Act, the Federal appropriations amounted to more than a million and a half dollars. This sum is to be increased annually until the year 1925-1926, when the states will receive $7,000,000 from the Federal government in support of vocational education.

318. LIMITATIONS OF THE CONVENTIONAL SCHOOL TERM.—A few decades ago, the typical school in an American city offered instruction to certain classes of young people between nine o'clock in the morning and three or four o'clock in the

afternoon, for from 150 to 180 days a year. During the rest of the time the schoolhouse was idle.

This policy greatly restricted the education of important groups of people. Adult immigrants were barred from the elementary public schools. Persons desiring educational guidance in special fields often found that the school offered them no help. Cripples, men and women employed in the daytime, and other individuals who found it impossible or inconvenient to attend school during the conventional time limits, were restricted in educational opportunity. Many boys and girls who drop out of school because of the necessity of going to work, do so before their education has been completed. For most of these classes, the inability to take advantage of the regular school term has meant the denial of adequate education.

319. WIDER USE OF THE SCHOOL PLANT.—Recently the "wider use of the school plant" movement is helping these classes to secure or continue their education. For unassimilated immigrants, day and evening courses in citizenship are now provided in many cities and towns. In many cities vacation schools have been established for the convenience of children who have failed in their studies, or who are able and willing to make unusual progress in various subjects. For those who work by day there is often a chance to go to school by night. For those who find it inexpedient to leave their homes, there are, in many places, travelling libraries

and correspondence courses. In some western states the farmer now has an opportunity of taking extension courses from the State university during those seasons in which his work is lightest. For pupils who are under the necessity of partially or entirely supporting themselves, some cities now have part-time or all- around-the-year schools.

320. THE SCHOOL AS A SOCIAL CENTER.—Closely associated with the movement to extend school facilities to those who would ordinarily be debarred from them, is the movement toward making the school a social center. Many city and some rural schools now provide free to the general public lectures on science, art, literature, and business. Moving pictures, dramatics, and other forms of entertainment are becoming a regular feature of this type of school work. In many schools the gymnasiums are available to the public under reasonable restrictions. Folk singing and dancing are being encouraged in numerous schools. Schoolrooms devoted by day to regular school courses are in many places being used during the evening for the discussion of public questions. In these and other ways the school is becoming a center of life for the community. It is extending into the homes of the people and is becoming the instrument of the community rather than of a particular group.

321. EDUCATION AND SOCIAL PROGRESS.—We may sum up the problems so far discussed in this text by noting that their solution calls for three different

types of treatment.

First, we must strike at the root of poverty by giving every individual just what he earns, by making it possible for every individual to earn enough to support himself and his family decently, and by teaching him to spend his income wisely and economically.

Second, wise and careful laws must be passed for the purpose of correcting and lessening the social defects of American democracy.

Third, education must be relied upon to render the individual able and willing to do his duty toward himself and his country. The boys and girls of to-day are the voters and home-makers of to-morrow, and the responsibility of preparing those boys and girls for the efficient conduct of community life rests almost entirely upon the school. Thus education is one of the most basic factors in social progress. Neither a reorganized economic system, nor the most carefully drawn laws on social questions will solve the problems of American democracy until the individual citizen is trained to a proper appreciation of his responsibilities toward himself and toward his country.

QUESTIONS ON THE TEXT

1. What is the scope of education?

2. What is the relation of education to democracy?

3. Trace briefly the development of education in this country.

4. Enumerate the chief merits of our educational system.

5. What problem arises in connection with financing the schools?

6. Explain the failure of some taxpayers properly to support the schools.

7. Discuss the control of education in this country.

8. Outline the problem of uniform educational standards.

9. To what extent is school attendance a problem?

10. What are the chief tasks of the educator?

11. Discuss the purpose of vocational education.

12. What is the nature of the Smith-Hughes act?

13. What are the limitations of the conventional school term?

14. What is meant by the "wider use of the school plant" movement?

15. To what extent is the school becoming a social center?

16. What is the relation of education to social progress?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxvi. Or all of the following:

2. Cubberley, *Changing Conceptions of Education*, all.

3. Guitteau, *Government and Politics in the United States*, chapter xviii.

4. McMurry, *How to Study*, part i.

5. Perry, *Wider Use of the School Plant*, chapter i.

QUESTIONS ON THE REQUIRED READINGS

1. Discuss briefly the progress made in education since the Civil War. (Cubberley, pages 38-42.)

2. Name an important defect of our educational system as it existed in the eighties. (Perry, page 3.)

3. Discuss the development of the high school. (Guitteau, pages 174- 175.)

4. To what extent does the Federal government aid State education? (Guitteau, page 176.)

5. Compare briefly the four types of school

administration. (Guitteau pages 177-180.)

6. What are the chief sources of school revenues? (Guitteau, pages 182-183.)

7. What has been the effect of immigration upon our educational system? (Cubberley, pages 14-15.)

8. What is the function of the vacation school? (Perry, pages 6-7.)

9. What is meant by the problem of leisure time? (Cubberley, page 20.)

10. Outline briefly the present tendencies in education. (Cubberley, pages 49-69-)

11. Outline the principal factors in study. (McMurry, pages 15-23.)

TOPICS FOR INVERSTGATION AND REPORT

I

1. Trace the development of public school education in your state.

2. Classify the types of schools in your state.

3. Draw up a list of the more important provisions in your state constitution regarding education.

4. Sources of school revenues in your community.

5. State supervision of the public schools in your commonwealth.

6. Influence of the Smith-Hughes act upon education in your state.

7. Use of the school as a social center in your community.

8. The meaning of education. (Butler, *The Meaning of Education*;
Henderson, *What is it to be Educated?* Hadley, *The Education of the*
American Citizen; Baldwin, *The Relation of Education to*
Citizenship.)

9. The beginnings of American education. (Cubberley, *Public Education in the United States*, chapter ii.)

10. The reorganization of elementary education. (Cubberley, *Public Education in the United States*, chapter x.)

11. Education through play. (Curtis, *Education through Play*.)

12. The use of leisure time. (*Annals*, vol. lxvii, pages 115-122.)

13. Wider use of the school plant. (Cubberley, *Public Education in the United States*, chapter xiii;

Annals, vol. lxvii, pages 170-202. Perry, *Wider Use of the School Plant*.)

14. The relation of the school to the community. (Dewey, *Schools of To-morrow*, chapter vii.)

15. Physical education. (Sargent, *Physical Education*.)

16. The education of Helen Keller. (Keller, *The Story of My Life*. See also an encyclopedia.)

17. The education of the crippled child. (Hall and Buck, *Handicrafts for the Handicapped*.)

18. Education for efficiency. (Eliot, *Education for Efficiency*; Davenport, *Education for Efficiency*.)

19. Vocational education. (Taylor, *A Handbook of Vocational Guidance*; Bloomfield, *The Vocational Guidance of Youth*; Leake, *Industrial Education, Its Problems, Methods and Danger*.)

20. Choosing a vocation. (Parsons, *Choosing a Vocation*.)

21. The United States Bureau of Education and the immigrant; (*Annals*, vol. lxvii, pages 273-283.)

22. Education and social progress. (Ellwood, *Sociology and Modern Social Problems*, chapter xvi.)

FOR CLASSROOM DISCUSSION

23. Do grammar school graduates who fail to enter high school stop their education at this point because of poverty, because of the attraction of industry, or because of dissatisfaction with school?

24. The question of free text books.

25. The question of uniform text books throughout your state.

26. At what point in the school curriculum should vocational education be begun?

27 How are ancient languages, ancient history and the fine arts helpful in daily life?

28. The question of a more intensive use of your school building as a social center.

PART IV—AMERICAN POLITICAL PROBLEMS

A. SOME ECONOMIC FUNCTIONS OF GOVERNMENT

CHAPTER XXVII

PUBLIC INTEREST IN BUSINESS: REGULATION

322. NECESSITY OF PUBLIC INTEREST IN BUSINESS.—Although individuals carry on business primarily for their own ends, the economic activities of men affect not only themselves, but the community as well. If every individual voluntarily confined his attention to those forms of business which strengthened the community as well as adding to his own prosperity, there would be little need for laws regulating the conduct of business. But because experience has shown that some persons will seek to benefit themselves in ways that react to the injury of the community, it becomes necessary for law to adjust private and public interests. A community cannot remain indifferent to the economic activities of its citizens. Public interest in business is a fundamental necessity, if the community is to be safeguarded against the abuses of free enterprise.

323. NATURE OF PUBLIC INTEREST IN BUSINESS.—In general, the object of laws regulating business is either to encourage helpful business methods, or to discourage harmful business methods. A good deal of legislation has been designed positively to encourage helpful business methods, yet it remains true that the most significant of our industrial laws have been aimed primarily at the discouragement of harmful business. A fundamental American ideal is to insure to the individual as much freedom of action as is consistent with the public interest. Thus we believe

that if harmful business is controlled or suppressed, private initiative may be trusted to develop helpful business methods, without the aid of fostering legislation. In this and the following chapter, therefore, we may confine our attention to legislation designed to suppress harmful business methods.

324. THE NATURE OF MONOPOLY.—We may begin the discussion by inquiring into the nature and significance of monopoly.

Under openly competitive conditions the free play of supply and demand between a number of producers and a number of prospective consumers fixes the price of a commodity. In such cases consumers are protected against exorbitant prices by the fact that rival producers will underbid each other in the effort to sell their goods.

But if the supply of a good, say wheat, is not in the hands of several rival producers, but is under the control of a unified group of persons, competition between the owners of the wheat is suppressed sufficiently to enable this unified group more nearly to dictate the price for which wheat shall sell. In such a case a monopoly is said to exist. Complete control of the supply of a commodity is rare, even for short periods, but modern business offers many instances of enterprises which are more or less monopolistic in character.

The essential danger of monopoly is that those

who have secured control of the available supply of a commodity will use that control to benefit themselves at the expense of the public. By combining their individual businesses, producers who were formerly rivals may secure the chief advantage of large-scale management. That is to say, the cost of production per unit may be decreased, because several combined plants might be operated more economically than several independent concerns. If the cost of production *is* decreased the combining producers can afford to lower the price of their product. But if they are practically in control of the entire supply, they will not lower the price unless it serves their interests to do so. Indeed it is more likely that they will take advantage of their monopoly to raise the price.

325. TYPES OF MONOPOLY.—Monopolies are variously classified, but for our purpose they may be called either *natural* or *unnatural*.

A *natural* monopoly may exist where, by the very nature of the business, competition is either impossible or socially undesirable. Examples of this type of monopoly are gas and water works, street railways, steam railways, and similar industries. These will be discussed in the next chapter.

Where an *unnatural* monopoly exists, it is not because the essential character of the business renders it unfit for the competitive system, but because competition has been artificially suppressed.

The traditional example of an unnatural monopoly is that form of large- scale combination which is popularly known as a trust.

326. ORIGIN OF THE TRUST.—After the Civil War, rivalry in many industries was so intense as to lead to "cutthroat" competition and a consequent reduction in profits. For the purpose of securing the advantages of monopoly, many previously competing businesses combined. In 1882 John D. Rockefeller organized the Standard Oil Company, the first trust in this country. The plan drawn up by Mr. Rockefeller provided that the owners of a number of oil refineries should place their stock in the hands of a board of trustees. In exchange for this stock, the owners received trust certificates on which they were paid dividends. Having control of the stock, the trustees were enabled to manage the combining corporations as one concern, thus maintaining a unified control over supply, and opening the way to monopoly profits.

327. PRESENT MEANING OF THE TERM "TRUST."—The plan initiated by Mr. Rockefeller was so successful that other groups of industries adopted it. After 1890 the original trust device was forbidden by statute, and the *trust proper* declined in importance. But there continued to be a large number of industrial combinations which, under slightly different forms, have secured all of the advantages of the original trust. In some cases previously competing corporations have actually

amalgamated; in still other cases, combining concerns have secured the advantages of monopoly by forming a holding company. A holding company is a corporation which is created for the express purpose of "holding" or controlling stock in several other corporations. This the holding company does by buying a sufficient amount of the stock of the combining concerns to insure unity of management and control. Since the holding company and similar devices secure the chief advantages of the original trust, the word "trust" is now used to designate any closely knit combination which has monopolistic advantages.

328. GROWTH OF THE TRUST MOVEMENT.—The trust movement developed rapidly after 1882. There were important combinations in the oil, tin, sugar, steel, tobacco, paper, and other industries. By 1898 there had been formed some eighty trusts, with a total capitalization of about $1,000,000,000. At the beginning of 1904 the number of trusts exceeded three hundred, while their combined capital totaled more than $5,000,000,000. The largest single trust was the United States Steel Corporation, which was capitalized at almost a billion and a half dollars. At the beginning of 1911, in which year the Supreme Court of the United States ordered two important trusts to dissolve, the combined capital of the trusts was probably in excess of $6,000,000,000.

329. ABUSE OF POWER BY THE TRUSTS.—Trusts have often abused their monopolistic powers. They

have often used their wealth to corrupt legislatures and to attempt to influence even the courts, in the effort to prevent laws and court decisions from restricting their monopoly. The corruption of railway corporations and of political parties has been partly due to the evil influence of the trusts. Trusts have often crushed out independent concerns that endeavored to compete with them. This has been accomplished, partly by inducing railroads to discriminate against independent concerns and in favor of the trusts, partly by cutting prices in competitive markets until independent concerns were crushed out, and partly by the use of bribes, threats, and other unfair methods. After competition had been suppressed, the trusts took advantage of their monopoly to raise prices on their products, thus imposing a heavy burden upon the public.

330. THE SHERMAN ANTI-TRUST ACT. (1890.)—During the eighties a number of states attempted to control the trust movement. But the Federal government has exclusive jurisdiction over interstate business, and for this reason the action of the states was limited to the control of the relatively unimportant trust business lying entirely within their respective borders. The fact that an increasing proportion of trust business was interstate in character stimulated interest in Federal anti-trust legislation, and in 1890 the Sherman Anti-trust Act was passed. This Act declared illegal "every contract, combination in the form of trust or otherwise, or

conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

331. FAILURE OF THE SHERMAN ACT.—For more than twenty years after its passage, the Sherman Act did little to curb the growth of the trusts, indeed, the most marked tendency toward trust formation occurred *after* 1890. Numerous suits were brought under the Act, but the lukewarm attitude of the courts rendered difficult the administration of the law. After 1911 the courts held that the restraint of trade was illegal if "unreasonable," but few juries could be found that could agree upon the difference between a "reasonable" and an "unreasonable" restraint of trade. Lastly, combinations which had been organized under the original trust plan were not disheartened by court decrees ordering them to dissolve, but reorganized under some device which was practically as effective as the trust plan, but which did not technically violate the Sherman act.

332. FURTHER LEGISLATION IN 1914.—Finally in 1911 the government succeeded in dissolving the Standard Oil Company and the American Tobacco Company, two of the largest trusts in the country. This success encouraged the Department of Justice to institute other suits, and stimulated such general interest in the trust problem that in 1914 Congress passed two new Anti-trust Acts. These were the Clayton Act and the Federal Trade Commission Act. The general effect of these laws was to strengthen anti-trust legislation by correcting some of the

fundamental defects of the Sherman Act, and by still further extending the power of the Federal government over monopolistic combinations.

333. The Clayton Act of 1914.—The Clayton Act forbids "unjustifiable discriminations in the prices charged to different persons," and also prohibits the lease or sale of goods made with the understanding that the lessee or purchaser shall not patronize competing concerns. The Act specifies a number of other practices which constitute unreasonable restraints of trade. Somewhat complicated limitations are imposed upon interlocking directorates, by which is meant the practice of individuals being on the board of directors of different corporations. [FOOTNOTE: The danger of the interlocking directorate, of course, is that individuals who are directors in two or more corporations may attempt to suppress competition between those corporations. This may lead to monopoly.] The Act likewise forbids the acquisition by one corporation of stock in another corporation when the effect may be "to substantially lessen competition" between such corporations, or "to tend to create a monopoly."

334. THE FEDERAL TRADE COMMISSION ACT OF 1914.—The second of the two Acts of 1914 created a Federal Trade Commission of five members, appointed by the President. The Commission has the power to require annual or special reports from interstate corporations in such form and relating to

such matters as it may prescribe. At the request of the Attorney General, the Commission must investigate and report upon any corporation alleged to be violating the anti-trust laws. The most important power of the Commission is undoubtedly that of issuing orders restraining the use of "unfair methods of competition in commerce." This clause aims at prevention rather than at punishment, and if its power is wisely used it will check monopoly in the early stages. Most authorities claim that in this regard the work of the Commission has already proved definitely helpful.

335. THE OUTLOOK.—Since 1911, and especially since the passage of the two Acts of 1914, the trust situation has materially improved. The vague and wholly inadequate powers of the old Sherman Act have been clarified and supplemented by the more specific provisions of the Clayton and Federal Trade Commission Acts. Fairly adequate machinery for the investigation and prosecution of trusts is now provided. The present laws cover not only combinations making use of the old trust device, but also combinations employing other methods of exercising monopoly control. The Federal Trade Commission Act provides for publicity, so that public opinion may have a chance to enforce the principle of fair play and open competition in business. The trust problem in the United States is not yet solved, but the careful control which we are now exercising over this type of organization justifies the belief that

the trust evil will become less important as time goes on.

336. THE TRUST PROBLEM OF THE FUTURE. In connection with the matter of making anti-trust legislation more effective, a new and pressing problem is arising. This has to do with the necessity of distinguishing, first, between the legitimate and the illegitimate practices of trusts [Footnote: Large-scale combination or management allows important economies to be practiced. Plant can be used more advantageously, supervision is less costly, supplies can be purchased in large quantities and hence more cheaply, etc. The securing of these economies constitutes a legitimate feature of large-scale combination or management.]; and second, between combinations which are monopolistic and combinations in which there is no element of monopoly.

We are coming to realize a fact which in Europe has long been a matter of common knowledge, namely, that trusts are never wholly and unqualifiedly bad. The law should not aim to destroy trusts, but rather should attempt so to regulate their activities that their economical features will be preserved while their harmful practices will be suppressed. Laws should also recognize the fact that many large-scale combinations have in them no element of monopoly, and that such combinations should be exempted from anti-trust prosecution. In drawing up anti-trust legislation, prohibitions and

restrictions should be as concise and as definite as possible, both in order to facilitate the execution of the law, and in order to prevent hardships being worked upon combinations which have consistently observed the rules of fair play in competitive business.

QUESTIONS ON THE TEXT

1. Why is public interest in business necessary?

2. What is the nature of public interest in business?

3. What is the nature of monopoly?

4. What are the two types of monopoly? Give an example of each.

5. Describe the origin of the trust.

6. Explain clearly the meaning of the word "trust" as it is now used.

7. During what period of our history was trust development greatest?

8. In what sense have trusts abused their power?

9. What was the purpose of the Sherman act of 1890?

10. How did the act work out in practice?

11. What important development is associated

with the period 1911-1914?

12. What are the main provisions of the Clayton act?

13. What is the purpose of the Federal Trade Commission act?

14. Outline the problem of the future with respect to trusts.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxvii.

Or all of the following:

2. Durand, *The Trust Problem*, chapter i.

3. Ely, *Outlines of Economics*, chapter xiii.

4. Fetter, *Modern Economic Problems*, chapter xxviii.

5. Seager, *Principles of Economics*, chapter xxv.

QUESTIONS ON THE REQUIRED READINGS

1. What are the four methods by which industrial combinations have taken place? (Fetter, pages 433-434.)

2. What are the three types of trusts? (Durand, page 9.)

3. What is a pool? (Durand, page 9.)

4. Name some of the important trusts which were formed between 1890 and 1899. (Fetter, pages 435-436.)

5. Name some of the most successful trusts. (Seager, page 456.)

6. What is the relation of trust development to the tariff? (Seager, pages 464-465.)

7. What is the evil of over-capitalization? (Seager, pages 465-466; Ely, pages 221-223.)

8. What are the chief advantages claimed for the trust? (Ely, pages 228-230; Durand, page 28.)

9. What are some of the devices used in "unfair competition"? (Ely, pages 239-240.)

10. What are the three ways of dealing with the trust evil? (Durand, pages l0-11.)

11. How has the trust evil been handled in other countries? (Ely, pages 245-246.)

12. What can be said as to the ultimate solution of the trust problem? (Durand, page 30.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The chartering of corporations in your state

2. History of anti-trust legislation in your state.

3. Outline the present laws of your state relative to monopolistic combinations.

4. Trust development in your state, or in your section of the country.

II

5. The nature of monopoly. (Ely, *Outlines of Economics,* chapter xii; Seager, *Principles of Economics,* chapter xxiii.)

6. Causes of trust formation. (Van Hise, *Concentration and Control,* pages 21-25.)

7. Purposes of trust formation. (Van Hise, *Concentration and Control,* pages 25-31.)

8. Forms of industrial combination. (Van Hise, *Concentration and Control,* pages 60-72.)

9. Text of the Sherman anti-trust act. (*Ripley, Trusts, Pools and Corporations,* pages 484-485; Durand, *The Trust Problem,* appendix i.)

10. Early Supreme Court decisions relative to the Sherman act. (Ripley, *Trusts, Pools and Corporations,*

pages 506-549.)

11. The Sherman act in actual operation. (Hamilton, *Current Economic Problems,* pages 433-441.)

12. The "rule of reason." (Ripley, *Trusts, Pools and Corporations,* pages 606-702.)

13. Difficulty of regulating trusts. (Durand, *The Trust Problem,* chapter in.)

14. Text of the Federal Trade Commission act. (Durand, The *Trust Problem,* appendix in.)

15. Relation of the Federal Trade Commission to the courts. (*Annals,* vol. lxiii, pages 24-36.)

16. Relation of the Federal Trade Commission to our foreign trade. (*Annals,* vol. lxiii, pages 67-68.)

17. Alleged advantages of trusts. (Durand, The *Trust Problem,* chapter iv; Van Hise, *Concentration and Control,* pages 8-21.)

18 Trust regulation in foreign countries. (Van Hise, *Concentration and Control*, chapter iv.)

19. The history of some one trust, as, for example, the American Sugar Refining Company, the United States Steel Corporation, the American Tobacco Company, or the International Harvester Company. (Consult any available literature.)

FOR CLASSROOM DISCUSSION

20. What is a reasonable as opposed to an unreasonable restraint of trade?

21. How is it possible to tell when combination has resulted in monopoly?

22. To what extent is the mere size of an industrial organization an indication of monopoly?

23. Does monopoly always result in a higher price being asked for the monopolized article?

CHAPTER XXVIII

PUBLIC INTEREST IN BUSINESS: OWNERSHIP

337. BASIS OF NATURAL MONOPOLY.—The most important examples of *natural* monopoly are found in those industries which are known as public utilities. Public utilities include gas and electric light works, waterworks, telephone and telegraph plants, and electric and steam railways.

These industries are by their very nature unsuited to the competitive system. This is chiefly because they operate under the principle of decreasing cost, that is to say, the greater the volume of business handled by a single plant, the less the cost of production per unit. In order to serve 100,000 customers with gas, for example, it may be necessary to make an initial outlay of $90,000 in plant and supplies. With this identical plant, however, the gas works could really manufacture gas sufficient to serve more than 100,000. If, later, the city grows and the number of customers using gas doubles, the gas works, already having its basic plant, will not have

to expend another $90,000, but only, say, an additional $30,000.

This principle has the double effect of virtually prohibiting competition and of encouraging combination. Since a street or a neighborhood can be served with water or gas more cheaply by a single plant than by several competing plants, competing plants tend to combine in order to secure the economies resulting from decreasing cost and large-scale production. On the other hand, the cost of duplicating a set of water mains or a network of street car tracks is so prohibitive as to render competition undesirable, both from the standpoint of the utility and from the standpoint of the public.

This natural tendency toward monopoly, together with the social importance of public utilities, has given rise to a demand that businesses of this type be publicly owned. The problem of public ownership may be considered under two heads: first, the municipal ownership of local utilities; and, second, the national ownership of steam railroads.

A. MUNICIPAL OWNERSHIP

338. REGULATION OF LOCAL UTILITIES.—In many American cities it was formerly the custom of the city council to confer valuable privileges upon public service corporations on terms that did not adequately safeguard the public interest. In making such grants,

called franchises, city councils often permitted private corporations the free use of the streets and other public property for long periods of time or even in perpetuity.

The abuses growing out of the careless use of the franchise granting power have recently led to a more strict supervision of franchises to public service corporations. In most cities, franchises are no longer perpetual, but are limited to a definite and rather short period, say fifty years. To an increasing extent, franchises are drawn up by experts, so that the terms of the grant will safeguard the interests of the public. In many states there are now public service commissions that have the power to regulate privately owned utilities. The chief aim of such commissions is to keep informed as to the condition of the utilities, and to fix rates and charges which the commission considers fair and reasonable.

339. ARGUMENTS FOR MUNICIPAL OWNERSHIP. —Those favoring municipal ownership, as opposed to regulation, declare that the conditions affecting rates change so rapidly that no public service commission can fix rates fairly or promptly. Public ownership would save the cost of regulation, in many cases a considerable item. It is maintained that regulation is inevitably a failure, and that in view of the social importance of public utilities, ownership is a logical and necessary step.

Important social gains are claimed for municipal

ownership. It is said that where the plan has been tried, it has promoted civic interest and has enlisted a higher type of public official. If all utilities were municipally owned, state legislatures and city councils would no longer be subjected to the danger of corruption by private corporations seeking franchises. If utilities were owned by the municipality, it is claimed, service and social welfare rather than profits would become the ideal. The public plant could afford to offer lower rates, because it would not be under the necessity of earning high profits. Finally, service could be extended into outlying or sparsely settled districts which are now neglected by privately owned companies because of the high expense and small profits that would result from such extension.

340. ARGUMENTS AGAINST MUNICIPAL OWNDERSHIP.—Other students of the problem believe that public regulation of utilities is preferable to municipal ownership. Those holding this view maintain that on the whole regulation has proved satisfactory, and that ownership is therefore unnecessary.

Rather than improving the public service by enlisting a higher type of public official, it is maintained, municipal ownership would increase political corruption by enlarging the number of positions which would become the spoils of the political party in power. The periodic political changes resulting from frequent elections in cities

would demoralize the administration of the utilities. Under our present system of government, municipal ownership means a lack of centralized control, a factor which would lessen administrative responsibility and encourage inefficiency.

The opponents of municipal ownership also contend that the inefficiency resulting from this form of control would increase the cost of management. This increased cost would in turn necessitate higher rates. Moreover, municipal ownership might increase enormously the indebtedness of the municipality, since either private plants would have to be purchased, or new plants erected at public expense.

341. EXTENT OF MUNICIPAL OWNERSHIP.—Some cities have tried municipal ownership and have abandoned the scheme as unworkable. In some instances this failure has been due to the inherent difficulties of the case, in other instances the inefficiency of the city administration has prevented success. In still other cities ownership of various utilities has proved markedly successful.

Most American cities now own their own waterworks, and about one third of them own their own gas or electric light plants. A few cities own either a part or the whole of their street railways. Municipal ownership of public utilities is still in its infancy, but the movement is growing.

342. CONDITIONS OF MUNICIPAL OWNERSHIP.

—Past experience indicates several mistakes to be avoided in any future consideration of the problem of municipal ownership.

The terms upon which the city purchases a utility ought not to be so severe as to discourage the future development of new utilities by private enterprise.

Public ownership is practicable only when the utility has passed the experimental stage, for governmental agencies cannot effectively carry on the experiments, nor assume the risks, so essential to the development of a new enterprise.

Any discussion of public ownership ought to include a consideration of social and political factors, as well as matters which are strictly economic.

The question of municipal ownership should be decided purely on the basis of local conditions and for particular utilities. The successful ownership of street railways in one city does not necessarily mean that a second city may be equally successful in operating this utility. Nor does the successful administration of a gas works by one city necessarily mean that the same city can effectively administer its street railways.

B. NATIONAL OWNERSHIP OF RAILROADS

343. DEVELOPMENT OF RAILROADS IN THE UNITED STATES.—The railroad history of the United

States began when the Baltimore & Ohio was opened to traffic in 1830, but until the middle of the century transportation in this country was chiefly by wagon roads, rivers, and canals. After 1850 the westward expansion and the development of industry throughout the country greatly stimulated railway building. Encouraged by lavish land grants and other bounties extended by both state and Federal governments, railroad corporations flung a network of railroads across the continent. Local roads were transformed, by extension and consolidation, into great trunk lines embracing thousands of miles. From 9,021 in 1850 our railway mileage increased to 93,267 in 1880, to 193,345 in 1900, and to approximately 260,000 in 1922.

344. THE PRINCIPLE OF DECREASING COST.—While the rapid development of American railroads has had an inestimable effect upon our national prosperity, railway development has brought with it serious evils. In order to understand the nature of these evils, let us notice that with railroads, as with municipal utilities, the cost per unit of product or service declines with an increase in the number of units furnished. A railroad must maintain its roadbed, depots, and terminals whether one or an hundred trains are run, and whether freight or passenger cars run empty or full. Many of the railroad's operating expenses also go on regardless of the volume of business. Thus the cost of handling units of traffic declines as the volume of that traffic

increases.

These circumstances influence rate-making in two ways. In the first place, railroads can afford to accept extra traffic at a relatively low rate because carrying extra traffic adds relatively little to the railroad's expenses. In the second place, rates in general cannot be definitely connected with the expense of carrying specific commodities, hence rates are often determined on the basis of expediency. This means that high rates are charged on valuable commodities because those commodities can pay high rates, while low rates are charged on cheap goods, because those goods cannot stand a high charge. This is called "charging what the traffic will bear."

345. EVILS ATTENDING RAILROAD DEVELOPMENT.—Since many of the expenses of the railroad go on regardless of the amount of traffic carried, railroads are constantly searching for extra business. Competition between railroads has tended to be very severe. Rate-wars have been common, because of the small cost of handling extra units of traffic. In the struggle for business, railroads once habitually offered low rates on competitive roads or lines, and then made up for this relatively unprofitable practice by charging high rates on non-competitive roads. The desire for extra business, together with the pressure exerted by trusts and other large shippers, encouraged railroads to make rates which discriminated between products, between localities, and even between individuals.

The ruinous character of competition often led to monopolistic combinations which proceeded to charge the general public exorbitant rates, but which rendered poor service.

346. EARLY STATE LEGISLATION.—During the early stages of railroad development, the railroads were generally regarded as public benefactors for the reason that they aided materially in the settlement of the West. But after about 1870 the railroads began to be accused of abusing their position. A greater degree of legal control over the roads was demanded.

The first attempts at the regulation of railroad corporations were made by several of the states. For fifteen years various commonwealths tried to control the railroads through state railway commissions armed with extensive powers. These commissions eliminated some of the more glaring abuses of railroad combination, but for several reasons state regulation was relatively ineffective. The states had, of course, no authority over interstate business, and most railroad revenues were derived from this type of business. State laws regulating railroads were often declared unconstitutional by the courts. Lastly, powerful railroad corporations often succeeded in bribing state legislatures to refrain from taking action against them. Due to these influences, state regulation was generally conceded to be a failure.

347. FEDERAL LEGISLATION.—The failure of state laws effectively to control the railroads led to the

enactment by Congress of the Interstate Commerce Act of 1887. This Federal act created an Interstate Commerce Commission of seven members, appointed by the President, and charged with the enforcement of the Act. The Act also prohibited discriminations, and forbade unjust and unreasonable rates. It required that railroads should make rates public, and that they should not change rates without due notice. Pooling was forbidden, that is to say, railroads apparently competing with one another were no longer to merge or pool their combined business with the understanding that each was to get a previously determined share of the joint profits. The objection to pooling was that it suppressed competition and encouraged monopoly.

In the years that followed, however, the Interstate Commerce Act checked railroad abuses very little. The machinery of the Act was so defective as to render difficult the successful prosecution of offenders. Railroad interests exerted an evil influence upon government officials who were attempting to enforce the Act. The administration of the law was also markedly impeded by the fact that the courts tended to interpret the Act of 1887 in such a way as to limit the powers of the Commission.

To a considerable extent discriminations and unnecessarily high rates continued until after the opening of the twentieth century. Then in 1903 the Elkins Act revived some of the waning powers of the Commission. Three years later (1906) the Hepburn

Law increased the membership of the Commission, improved its machinery, and extended and reinforced its control over rates. In 1910 the Mann-Elkins Act strengthened the position of the Commission in several particulars.

In spite of this additional legislation, however, the rather sorry record of railroad regulation up to the time of the World War repeatedly raised the question of national ownership of railroads.

348. ARGUMENTS IN FAVOR OF NATIONAL OWNERSHIP OF RAILROADS.—The arguments in favor of national ownership of railroads are similar to those advanced in behalf of the municipal ownership of local utilities.

The failure of regulation, coupled with the social importance of the railroads, is said to render ownership imperative. Government ownership of railroads is said to have succeeded in several of the countries of Europe, notably in Prussia.

It is believed by many that government ownership would attract a high grade of public official. It is also thought that with the change to public ownership the corruption of state legislatures by railroads would cease. Since the roads would be taken out of private hands and administered as a unit by the Federal government, discriminations and other unfair practices would cease.

It is also held that under public ownership service rather than profits would become the ideal. Since profits would no longer be necessary, lower rates could be offered. Government ownership would allow the elimination of duplicating lines in competitive areas, and would permit the extension of new lines into areas not immediately profitable. Thus railroads now operated solely for private gain would become instruments of social as well as industrial progress.

349. ARGUMENTS AGAINST NATIONAL OWNERSHIP OF RAILROADS.—Opponents of national ownership maintain that the experience of Prussia and other European countries is no guide to railroad management in this country. Differences in political organization between this and European countries, for example, render unreliable the results of public ownership in Prussia and other parts of Europe.

Many opponents of government ownership contend that the elimination of private control would increase, rather than decrease, political corruption. Various political interests, they say, would bring pressure to bear in favor of low rates for their particular sections of the country.

It is often maintained that the substitution of public for private ownership would discourage personal initiative because public officials would take little genuine interest in the railroads. It is said

that government administration of railroads would be marked by waste and inefficiency. This would necessitate higher rates instead of permitting rates to be reduced. The large initial cost of acquiring the roads is urged against public ownership, as is the gigantic task of administering so vast an industry.

A last important objection to public ownership is that it would cause rates to be rigid. Rates would be fixed for relatively long periods and by a supervisory agency, rather than automatically changing with business conditions as under private ownership. This rigidity would force business to adapt itself to rates, instead of allowing rates to adapt themselves to business needs.

350. GOVERNMENT CONTROL OF RAILROADS, 1917-1920.—Shortly after our entry into the World War, the congested condition of the railroads, together with the urgent need for a unified transportation system, led to a temporary abandonment of private control. On December 28, 1917, President Wilson took over the nation's railroads under powers conferred upon him by Congress. The roads were centralized under Director-General McAdoo, assisted by seven regional directors who administered the railroads in the different sections of the country.

The Act empowering the President to take over the railroads provided that such control should not extend beyond twenty-one months after the

conclusion of the treaty of peace with Germany. But there has never been a well-organized movement for government ownership of railroads in this country, and when after the signing of the armistice in November, 1918, the immediate return of the roads to private control was demanded, there was little opposition. A number of plans proposing various combinations of public and private control were rejected, and on March 1, 1920, the roads were returned to their former owners.

351. RESULTS OF GOVERNMENT CONTROL DURING THE WORLD WAR.—Government control of the nation's railroads between 1917 and 1920 resulted in a number of important economies. Repair shops were co÷rdinated so as to be used more systematically and hence more economically. The consolidation of ticket offices in cities effected a substantial saving. The co÷rdination of terminals allowed a more economical use of equipment than had been possible under private control. The unification of the various railroad systems allowed a more direct routing of freight than would otherwise have been possible. There was also a reduction in some unnecessarily large managerial salaries.

On the other hand, the quality of railroad service declined under government control. The personal efficiency of many types of railroad employees also decreased. Most important of all, there was a sharp increase in both freight and passenger rates.

The period of war-time control was abnormal, hence the record of the roads under government control during this period cannot be taken as wholly indicative of what would happen under permanent government control in peace time. But it should be noted that, on the whole, the record of the Railroad Administration between 1917 and 1920 was good. That the above-mentioned economies were effected cannot be denied. Moreover, the decline in service and efficiency, as well as the increase in rates, is at least partially explained by abnormal conditions over which the Railroad Administration had no control. The winter of 1917-1918 was the most rigorous in railroad history. This circumstance, combined with the unusually heavy demands for the transportation of war equipment, helped to demoralize the service from the very beginning of the period of government control. For a number of years previous to 1917 there had been an acute shortage of box cars and other equipment, which also helps to explain the poor quality of service furnished during the war. The labor force was demoralized by the drafting for war service of many trained railroad employees. (It is claimed that certain railroad officials sought to discredit government control by hampering the administration of the roads, but this charge cannot be proved.)

352. THE TRANSPORTATION ACT OF 1920.—Government control in war time revealed the true status of the railroads as nothing else could. It was

seen that up to the period of the World War Federal legislation on railroads had in some cases been too indulgent, but in other cases so severe as to work a hardship upon the roads. To pave the way for a fairer and more effective regulation of the nation's railroads, the Transportation Act of 1920 was passed. At present the railroads are privately owned, but publicly regulated by the Interstate Commerce Commission, according to the provisions of the Interstate Commerce Act of 1887, the Elkins Act of 1903, the Hepburn Law of 1906, the Mann- Elkins Act of 1910, and the Transportation Act of 1920.

353. SUMMARY OF PRESENT LEGISLATION ON RAILROADS.—At the present time all unfair discriminations are generally forbidden. But it is now recognized that under certain conditions a discrimination may be economically justified. Therefore, when the inability to levy a discriminatory rate would work a hardship upon a railroad, the Commission is authorized to suspend the rule. Pooling is likewise generally forbidden, but here again the Commission may authorize the practice at its discretion. Limitations are placed upon the power of railroads to transport commodities in which they are interested as producers.

All interstate rates are to be just and reasonable, and the Commission is empowered to say what constitutes just and reasonable rates. In order to prevent rate wars, the Commission is now empowered to fix minimum as well as maximum

rates. The Act of 1920 also gives the Commission the power to establish *intra*-state rates, where such rates unjustly discriminate against interstate or foreign commerce. An *intra*-state rate, of course, is one which has to do only with freight or passenger movements which begin and end within the borders of a single state.

The Act of 1920 extended government control over the railroads in a number of important particulars. To check certain financial abuses, the Commission now has supervision over the issue of railroad securities. For the purpose of increasing the social value of the nation's railroads, the Act of 1920 instructs the Commission to plan the consolidation of existing roads into a limited number of systems. Another clause in the Act of 1920 provides that no railroad may abandon lines, build new lines, or extend old ones, without the consent of the Commission. In times of national emergency, moreover, the Commission may direct the routing of the nation's freight, without regard to the ownership of the lines involved. Lastly, the Act of 1920 made provision for a permanent arbitration board for the settlement of labor disputes in the railroad industry.

354. THE OUTLOOK.—In view of the defective character of regulatory legislation previous to 1900, government ownership of railroads did not seem unlikely. But since the acts of 1903, 1906, and 1910, and especially since the passage of the Transportation Act of 1920, there has been such high

promise of efficient regulation as to minimize the movement toward government ownership. Not only are old abuses now more likely to be remedied, but the Interstate Commerce Commission is now empowered to relieve the roads of many undeserved burdens. Especially is the Commission keenly appreciative of the necessity of stabilizing the credit of the railroads. Until this is done the investing public will have little confidence in the railroad business, and the roads will continue to be inadequately financed.

Perhaps the greatest problem now before the Commission is to complete the "physical valuation" of the railroads begun in 1913. This valuation aims to discover, by investigations conducted by expert appraisers, the actual value of all railroad property in the United States at the present time. On the basis of this valuation the Commission believes that it can estimate the probable amount of invested capital which the railroads represent. After this has been done, the Commission can calculate what rates the railroads must charge in order to earn a fair dividend on their money. The completion of this physical valuation is, therefore, necessary if the Interstate Commerce Commission is to fix rates which are just and reasonable from the standpoint of the public on the one hand, and from the standpoint of the railroads on the other.

QUESTIONS ON THE TEXT

1. What is the economic basis of natural monopoly?

2. Describe the regulation of local utilities.

3. Give the chief arguments in favor of municipal ownership.

4. What arguments are advanced against municipal ownership?

5. What is the extent of municipal ownership in this country?

6. Name some of the fundamental conditions of municipal ownership.

7. Outline briefly the development of railroads in this country.

8. How does the principle of decreasing cost apply to railroads?

9. Discuss the evils resulting from railroad development.

10. Why did State regulation fail to eliminate these evils?

11. Discuss the nature and effect of the Interstate Commerce Act.

12. Give the chief arguments in favor of national ownership of railroads.

13. What are the chief arguments against this step?

14. When and why were the railroads taken over by the Government?

15. Explain clearly the nature of the results of government control of railroads.

16. Enumerate the laws under which the Interstate Commerce Commission now administers the railroads.

17. Summarize present railroad legislation with regard to

(a) discriminations,

(b) rates, and

(c) the extension of Federal control authorized under the Act of 1920.

18. What is the greatest problem now before the Commission?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxviii.

Or all of the following:

2. Ely, *Outlines of Economics*, chapter xxvii.

3. Fetter, *Modern Economic Problems*, chapters xxvii and xxx.

4. King, *Regulation of Municipal Utilities*, chapter i.

5. Seager, *Principles of Economics*, pages 419-431, and chapter xxiv.

QUESTIONS ON THE REQUIRED READINGS

1. What is meant by Transportation Economics? (Ely, page 557.)

2. Explain clearly why public utilities are natural monopolies. (Seager, pages 419-426.)

3. What is the origin of the right to regulate public utilities in the public interest? (King, page 4.)

4. Why must municipal utilities be regulated or controlled? (King, pages 11-16.)

5. What is the relation of unregulated municipal utilities to bad politics? (King, pages 17-19.)

6. What are the legal duties of corporations controlling municipal utilities? (King, page 10.)

7. What forms may municipal ownership take? (Fetter, pages 461-462.)

8. How does uniformity of product favor monopoly? (Fetter, page 463.)

9. Why did the railroads receive liberal help from state and Federal governments during the period of railroad development? (Fetter, page 413.)

10. Distinguish between local and personal discriminations. (Fetter, pages 416-417.)

11. Discuss the nature of the early state railroad commissions.(Fetter, pages 420-422.)

12. In what respects was the Interstate Commerce act amended by the legislation of 1903, 1906 and 1910? (Seager, pages 442-443.)

13. What was the nature of the Commerce Court? (Seager, page 444.)

14. What is the most convincing argument against the public ownership of the telegraph and the telephone? (Seager, page 445.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a list of the natural monopolies in your locality.

2. To what extent are the public utilities in your locality controlled by the (a) municipality, the (b) state, the (c) Federal government?

3. The franchise-granting power in your state.

4. The regulation of local utilities in your municipality.

5. Extent of municipal ownership in your section. If possible, visit a municipally owned utility and report upon it.

6. Interview an official of some local utility upon the desirability of municipal ownership of that utility.

7. The history of railroad development in your section.

8. Outline the more important laws enacted by your state legislature relative to railroads.

9. Service and rates in your locality during the period of government control, 1917-1920.

II

10. Regulation of local utilities through the franchise. (King, *Regulation of Municipal Utilities*, part ii.)

11. Regulation of local utilities through the utility commission. (King, *Regulation of Municipal Utilities*, part iii.)

12. Standards of service for local utilities. (*Annals*, vol. liii, pages 292-306.)

13. The case for municipal ownership. (King, *Regulation of Municipal Utilities*; Thompson, *Municipal Ownership*)

14. The case against municipal ownership. (King, *Regulation of Municipal Utilities*; Porter, *Dangers of Municipal Ownership*.)

15. Early development of railroads in the United States. (Coman, *Industrial History of the United States*, pages 232-248; Bogart, *Economic History of the United States*, chapters xxiv and xxv; *Lessons in Community and National Life*, Series C, pages 217-233.)

16. Geographical distribution of railroads. (Semple, *American History and its Geographic Conditions*, chapter xvii.)

17. Combinations in the railroad industry. (*Lessons in Community and National Life*, Series A, pages 219-224; Bogart, *Economic History of the United States*, chapter xxix; Johnson, *American Railway Transportation*, chapter iii.)

18. Rate-making. (Johnson, *American Railway Transportation*, chapter xx; Bullock, *Elements of Economics*, pages 212-217.)

19. Physical valuation of the railroads. (*Annals*, vol. lxiii, pages 182-190.)

20. Railroad regulation and the courts. (Johnson, *American Railway Transportation*, chapter xxvii.)

21. War-time control of railroads in the United States. (*Annals*, vol. lxxxvi, all; Dixon, *War Administration of the Railways in the United States and Great Britain*, part i.)

22. Report of the Interstate Commerce Commission upon the desirability of government ownership of railroads in the United States. (Cleveland and Schafer, *Democracy in Reconstruction*, pages 382-396.)

23. War-time control of railroads in Great Britain. (Dixon, *War Administration of the Railways in the United States and Great Britain*, part ii.)

24. Railroad management in England and France. (Johnson, *American Railway Transportation*, chapter xxiii.)

25. Railroad management in Italy and Germany. (Johnson, *American Railway Transportation*, chapter xxiv.)

FOR CLASSROOM DISCUSSION

26. The success with which public utilities in your community have been regulated.

27. Should the franchise-granting power in your state be still further restricted?

28. The success of municipal ownership in your locality.

29. The relation of "stock watering" or "overcapitalization" to high profits. (See Taussig, *Principles of Economics*, vol ii, page 385.)

30. Is public ownership of railroads more practicable under a democratic or under an autocratic form of government?

CHAPTER XXIX

THE TARIFF

355. THE PRINCIPLE OF EXCHANGE.—In Chapters VII and VIII it was pointed out that when individuals divide up their labor so that each becomes a highly specialized workman there is a resultant increase in the community's productivity. Similarly, when one section of the country is adapted primarily to manufacturing, while another section is peculiarly suited to farming, there is a gain in national productivity when each of these areas specializes in those activities which it can carry on most effectively, and is content to resort to trade in order to secure the benefit of industries specialized in elsewhere. So far as the economic principle is

concerned, there is likewise a gain when different countries specialize in those forms of production at which their citizens are most effective, and are content to secure through international trade the products of specialization in other countries.

356. NATURE OF THE TARIFF.—But though all civilized nations allow and even encourage the division of labor among their individual citizens and among the various areas within their own boundaries, many countries restrict the degree to which their citizens may exchange their surplus products for the surplus products of foreign producers. In the United States, for example, Congress has the power to levy a duty or tariff on foreign-made goods which are brought into this country for sale.

This tariff may be levied primarily to increase national revenue, in which case the rate of duty is generally too low to keep foreign goods out of our markets. When the tariff is purely a revenue measure, "free trade" is said to exist. On the other hand, a tariff may be so high that domestic goods will be protected in our markets against competition from foreign-made goods of a similar grade. In this case a protective tariff is said to exist, though such a measure also brings in revenue. Most tariff measures, indeed, contain both "revenue" and "protective" elements, and it is only when a tariff act is *primarily* a protective measure that we speak of it as a protective tariff.

357. THE MEANING OF "PROTECTION."—Let us be sure that we understand exactly what is meant by "protection." Suppose that in the absence of a protective tariff an English-made shoe can be produced and brought to this country at a total cost of $3.00. Let us assume that this shoe competes in the American market with an American-made shoe which is of similar grade, but which, for various reasons, it costs $3.50 to produce. Suppose, further, that both English and American producer must make a profit of $0.50 per pair of shoes, or go out of business. In the resulting rivalry, the English shoe can sell for $3.50 and make a profit. Competition would force the American producer to sell his shoe for $3.50 also, but since this would give him no profit, he would be forced out of business. In such a case the American manufacturer might secure the passage of a protective tariff on this type of shoe, so that the English shoe would be charged $0.75 to enter this country for sale here. This would bring the total cost of the English shoe up to $3.75, and to make a profit the shoe would have to sell for $4.25. But since the American shoe can be sold for $4.00, the English shoe is forced out of the market. [Footnote: If, in this example, the duty were, say, $.25, the foreign shoe could continue to enter our markets and compete with the American shoe. In this case the tariff would be a *revenue*, and not a *protective* measure.]

The tariff question arises primarily in connection

with the matter of protection, and may be stated as follows: Ought Congress to interfere with international trade by levying protective duties on imports; and, if so, just how and to what extent should such duties be levied?

358. TARIFF HISTORY OF THE UNITED STATES. —The first tariff measure in our national history was the Act of 1789. This was a revenue measure, though it gave some degree of protection to American industries. Down to the close of the War of 1812 our tariff was mainly for revenue purposes. After the close of that war a heavy duty on foreign iron and textile products was imposed for the purpose of protecting domestic producers against the cheaply-selling English goods which were flooding our markets. After 1816 it became our policy to combine in the same tariff act high protective duties with revenue duties. In 1824 the general level of duties was raised. In 1828 Congress endeavored to lay a tariff which would suit all sections of the country, but the attempt failed.

Between 1828 and 1842 the tariff was gradually lowered. Between 1842 and 1861 our tariff policy was unsettled, but in the latter year the domestic disturbances brought on by the Civil War resulted in the passage of a tariff which turned out to be highly protective. In the period immediately following the Civil War the tariff continued to be very high, due chiefly to pressure from industrial interests which had secured protection from the war rates. In spite of

attempted reform in 1870, 1873, and 1883, the tariff continued to be highly protective.

In 1894 the Democrats reduced the tariff somewhat, and in 1909 the Republicans attempted to satisfy a popular demand for lower rates by the passage of the Payne-Aldrich Act. This measure reduced some rates, but not enough to satisfy the popular mind. In 1912 the Democrats returned to power, and the following year passed the Underwood-Simmons Act, lowering the rates on many classes of commodities, and placing a number of important articles on the free list. In 1920 the Republican party again secured control of the government, and the tariff was raised. At present our tariff is highly protective.

359. COMPROMISE CHARACTER OF TARIFF.—Our tariff history is full of inconsistencies. The pendulum has swung first to low duties and then to severely high duties. No tariff has satisfied all the interests involved; indeed, no other issue, with the possible exception of slavery, has provoked as much political strife as the tariff. Every tariff is essentially a compromise, for a duty upon practically any commodity which we might select will benefit some of our citizens, while it will either prove of no use to other individuals or will actually injure them. Animated by self-interest, the farmer, the lumberman, the miner, or the manufacturer, each desires a protective duty on the commodity which he produces, and a low rate, or no duty at all, upon

commodities which he consumes. As a result, the tariff has become a sectional problem, in the solving of which Congressmen have too often considered as paramount the economic interests of the particular locality which they represent.

360. NATURE OF THE TARIFF ARGUMENT.—The tariff question generally divides men into two camps, those favoring "free trade," and those demanding duties that are highly protective. From the standpoint of economics, the most vital argument against protection is that there is no fundamental reason why there should not be free trade between nations. Protection is economically wasteful because it diverts capital and labor from industries in which we are relatively effective to industries in which our productivity is relatively low. High protection is thus said to decrease national productivity, and to impose a burden upon the consumer by preventing him from purchasing cheaper foreign-made goods.

In view of these facts, the free trader claims that to the extent that the tariff is an economic proposition, the burden of proof rests upon the protectionist. If this assertion is accepted, the tariff argument consists of the attempts of the protectionist to outweigh the above economic argument for free trade by putting forth economic arguments for protection, and by developing social and political reasons for a protective tariff.

361. AN EARLIER TARIFF ARGUMENT.—Formerly

one of the most important arguments for protection was the home market theory. This theory was advanced in 1824 by Henry Clay. In the effort to win the agricultural interests to protection, Clay maintained that a protective tariff on manufactures would develop urban centers, and that this would increase the purchasing power of the city dwellers. This increased purchasing power, Clay declared, would assure the farmer of a steady domestic market, not only for his staples, but also for perishable goods which could not be shipped to foreign countries.

Though still heard in tariff discussions, this argument now exerts less influence than formerly. Perfected means of transportation have tended to place domestic and foreign markets on an equal footing. Moreover, the population of our cities has increased so much more rapidly than has the productivity of our farms, that it is unnecessary artificially to create a home market for the farmer's produce.

362. THE WAGES ARGUMENT.—At the present time one of the most important arguments in favor of a protective tariff is that it either creates or maintains a relatively high level of wages for workmen engaged in the protected industries. Those advancing this argument believe that free trade would lower wages and depress the standard of living for large groups of workmen.

The free trader maintains that high wages do not

depend upon protection, and this for three reasons: First, equally high wages are often paid in protected and unprotected industries alike; second, high wages do exist in a number of protected industries, but many of these industries also paid high wages before protection had been secured; third, there is nothing in a protective tariff to force employers to pay more than the current wage. Rather than raising wages, Professor Taussig maintains, "protection restricts the geographical division of labor, causes industry to turn to less advantageous channels, lessens the productivity of labor, and so tends to lower the general rate of wages."

363. THE VESTED INTERESTS ARGUMENT.—An important argument in favor of continued protection is that the introduction of free trade would ruin valuable manufacturing businesses which have been built up under protection, and which are unprepared or unable to maintain themselves against foreign competition. In the case of such industries, it is maintained, the removal of protection might result in economic disaster. Factories would have to close, investments would depreciate, and numerous laborers would be thrown out of employment.

There is great force in this argument. Even the most ardent free trader will admit that a sudden removal of tariff duties might be demoralizing to industries long used to protection. Nevertheless, the vested interests argument is not so much an argument for continued protection as it is a reason

why there should be a gradual rather than a sudden removal of protective duties. If protection were to be scaled down gradually and wisely, there is no reason why capital invested in industries unable to stand foreign competition could not be gradually transferred to industries unaffected by foreign competition.

364. TARIFF ARGUMENTS ACCENTUATED BY THE WORLD WAR.—Three arguments in favor of protection have taken on greater importance because of the World War.

One of these is the anti-dumping argument. From the standpoint of the American tariff, dumping is the practice which some foreign producers have of temporarily selling their surplus goods in this country at an abnormally low price. [Footnote: Some American producers in turn "dump" in foreign markets, but with this practice we are not here concerned.] If dumping were permanent, we would gain because we would be getting goods at a much lower price than we could manufacture them. The evil of dumping grows out of the fact that it tends to force domestic producers out of business. Then later the foreign supply may diminish, in which case we suffer from a shortage of goods. If foreign producers do continue to supply the American market they may take advantage of the fact that American competitors have been forced out of business, and demand monopoly prices. The free trader admits the force of the anti-dumping argument, and concedes that the

intense economic rivalry growing out of the World War rendered desirable tariff rates which would protect domestic producers against dumping.

Another protectionist argument which has gained in strength because of the War is the "infant industries" argument. Protectionists claim that industries really adapted to this country may be prevented from arising here because of their inability, while still in the experimental stage, to meet strong competition from well-established foreign producers. When an industry is in the experimental stage the cost of production is relatively high, and the price will be correspondingly high. Well established and economically-conducted businesses can undersell these experimental or "infant" industries. Protection for such "infant" industries is therefore sought until such time as they will be able to stand foreign competition. The free trader has generally replied that such protection may be desirable in some cases, but maintains that care should be taken to make such protection both moderate and temporary, otherwise protection will perpetuate industries for which we are really unsuited. During the World War American producers began to manufacture dyes and chemicals formerly imported from Germany. The industrial importance of these products gave weight to the belief that the new industries which sprang up in this country during the War were entitled to protection against foreign competition.

A third protectionist argument which was strengthened by the World War is the military or self-sufficiency argument. It has long been the claim of the protectionist that high tariff duties encourage the development in this country of all industries producing the necessities of life, as well as all supplies which are vital in war time. High protection was thus defended on the grounds that it permitted the United States to be nationally self-sufficing, thus allowing us to be relatively independent of other countries, especially in war time. Previous to the World War many free traders scoffed at this argument as resting upon an unjustified fear of war, but this attitude was changed by the dangers to which we were subjected by the interruption of our foreign trade during the war. At present the military or self-sufficiency argument is of great importance.

365. THE TREND TOWARD PROTECTION.—Of late years, therefore, there has been a distinct trend toward protection in this country. The fear of dumping, the desire to protect infant industries established during the World War, and the increased importance of the military or self- sufficiency argument have been factors in this trend. Another factor has been that the Republican party, traditionally committed to a policy of high protection, returned to power in 1920. A last important influence has been an increased need for Federal revenue. The World War not only increased our indebtedness, but the advent of national

prohibition in 1919 cut off a source of Federal revenue formerly very important.

366. TARIFF NEEDS.—From the standpoint of practical politics, one of the greatest needs of our time is for an intelligent and public- spirited handling of tariff problems. The tariff is a technical and highly complex question, upon which politicians have heretofore had too much to say, and trained economists too little. Too often, vague claims and political propaganda have carried more weight than have facts.

It is asserted by many that the tariff can never be taken out of politics, but this is perhaps too strong a statement. In this connection an interesting development was the establishment in 1916 of the United States Tariff Commission. This Commission consists of six members appointed by the President for twelve years. Not more than three of the members may belong to the same political party. It is the duty of the Commission to investigate conditions bearing upon the tariff and to report its findings to Congress. It is hoped that this plan will place at the disposal of Congress scientific data on which to base tariff legislation. So far the Commission has not materially reduced the influence of politics upon tariff legislation, though it is perhaps too soon to expect results.

It is sometimes said that our tariff policy ought to be less changeable. Certain it is that our tariff history

is full of inconsistencies and irrational fluctuations. But the question of a tariff policy is a thorny one. Manifestly, business should not be forced to accommodate itself to a purely political manipulation of the tariff; on the contrary, the tariff ought to vary with changes in business conditions at home and abroad. Whatever may be implied by a tariff "policy," it is also certain that the tariff should somewhat accommodate itself to revenue needs. Beyond these somewhat general statements, however, it is hardly safe to say what should be the basic elements in a national tariff policy.

QUESTIONS ON THE TEXT

1. Explain the gain from exchange.

2. What is meant by the tariff? Distinguish between a revenue and a protective tariff.

3. State the tariff problem.

4. Outline briefly the tariff history of the United States.

5. Why is tariff practically always a compromise?

6. Discuss the home market argument.

7. What can be said for and against the wages argument?

8. What is the vested interests argument?

9. What effect did the World War have upon the anti-dumping argument?

10. What is the military or self-sufficiency argument?

11. How did the war affect the infant industries argument?

12. Why was there a trend toward protection after the World War?

13. What is the nature and purpose of the United States Tariff Commission?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxix.

Or all of the following:

2. Carver, *Elementary Economics*, chapter xxvii.

3. Fetter, *Modern Economic Problems*, chapter xv.

4. Seager, *Principles of Economics*, chapter xxii.

5. Thompson, *Elementary Economics*, chapter xix.

QUESTIONS ON THE REQUIRED READINGS

1. What is the extent of the protective tariff

throughout the world? (Fetter, page 218.)

2. Distinguish between a specific and an ad valorem duty. (Fetter, pages 219-220.)

3. What is meant by a free list? (Fetter, pages 220-221.)

4. What is the fundamental proposition of the free trader? (Carver, page 244; Thompson, pages 262-263.)

5. What is the "no buying no selling" argument? (Thompson, page 263.)

6. What is the balance-of-trade argument? (Carver, page 245.)

7. What is the origin of the present tariff system? (Seager, pages 394-395.)

8. What is the political argument in tariff discussions? (Seager, page 397.)

9. What is the relation of tariff to political corruption? (Seager, page 405.)

10. What was the character of the Payne-Aldrich tariff of 1909? (Fetter, pages 233-234.)

11. What was the character of the Underwood tariff of 1913? (Fetter, pages 234-236.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The home market argument with reference to conditions in your section.

2. The infant industries argument with reference to conditions in your section.

3. Commodities essential to the prosperity of your community which are imported from abroad.

4. The attitude of your section of the country toward the tariff. Has this attitude changed in the past fifty years?

5. Write to your Representative in Congress for his opinion on the need of a "fixed tariff policy."

6. Interview several friendly business men on their attitude toward the tariff.

7. Interview a member of the Democratic party upon the attitude of his party toward the tariff.

8. Interview a member of the Republican party upon the attitude of his party toward the tariff.

II

9. The principle of international trade. (Taussig, *Principles of Economics*, vol. 1, chapter xxxiv; Fetter, *Modern Economic Problems*, chapter xiii.)

10. The gain from international trade. (Taussig, *Principles of Economics*, vol. 1, chapter xxxv.)

11. The infant industries argument as applied to American industries. (Taussig, *Tariff History of the United States*, Part 1, chapter i.)

12. The Civil War tariff. (Taussig, *Tariff History of the United States*. Consult also any economic history of the United States, or any standard text on economics.)

13. Tariff administration. (*Cyclopedia of American Government*.)

14. Political aspects of the tariff. (Tarbell, *The Tariff in Our Times*, chapter xii.)

15. The history of any important tariff since the Civil War. (Consult Taussig, *Tariff History of the United States*; Fetter, *Modern Economic Problems*, chapter xv; any standard work on the economic history of the United States; or any encyclopedia under "Tariff.")

16. The tariff in Germany. (Ashley, *Modern Tariff History*, part i.)

17. The tariff in France. (Ashley, *Modern Tariff History*, part iii.)

FOR CLASSROOM DISCUSSION

18. Why has the wages argument increased in importance within the last half century?

19. How could our protective tariff be abolished without endangering present investments in protected industries?

20. The question of a national tariff policy.

21. To what extent should the formulation of our tariff acts take into consideration the wishes of foreign producers who desire to sell their goods in this country?

CHAPTER XXX

CONSERVATION

367. ATTITUDE OF THE EARLY SETTLER TOWARD NATURAL RESOURCES.—The chief concern of the early American settler was to turn a virgin continent into homes as quickly and as easily as possible. During the seventeenth, eighteenth, and most of the nineteenth century, our natural resources were very abundant, while labor and capital were relatively scarce. As the settlers spread across the

Appalachians and into the great West, it was to be expected, therefore, that the home- maker should use labor and capital as carefully as possible and that he should use generously such resources as forests, water power, and soil fertility. Little blame attaches to the early settler for this attitude, indeed he acted in accordance with sound economic law. This economic law declares that under any particular set of circumstances factors of production should be carefully used in proportion as they are scarce, and generously used in proportion as they are abundant.

368. RESULT: GROWING SCARCITY OF NATURAL RESOURCES.—The rapid settlement of the West was essential to our national unity and development. Nevertheless, the extensive and even lavish use of natural wealth since colonial times has lately called attention to the scarcity of resources formerly considered overabundant.

More than three fourths of our original forest area has been culled, cut over, or burned, since colonial times. Wholesale logging methods have swept vast areas bare of valuable timber. Careless cutting has wasted a quarter of our timber supply. In the lumber mill about 40 per cent of the entire volume of the logs is lost by wasteful methods of work. Since 1870 forest fires have annually destroyed more than $50,000,000 worth of timber. Altogether our timber supply is diminishing three or four times as fast as we are replenishing it.

By holding sod in place, forests furnish a sponge-like reservoir which absorbs rainfall and then retains it sufficiently to insure that it will be paid out only gradually. The process of cutting down forests, called deforestation, destroys the sod, so that streams formerly fed from forested areas by a steady process become dangerously swollen in certain seasons and greatly reduced in size at other times. One effect of this alternation of freshets with abnormally dry periods is a loss of steady and dependable water power.

Deforestation has also an injurious effect upon agriculture. When heavy rains wash valuable surface soil from the tops and sides of hills these denuded areas are rendered less valuable for grazing, while the overabundance of top soil in the valleys retards effective cultivation. Agriculture also suffers from the fact that streams which would ordinarily furnish a steady supply of irrigation water are often either in a state of flood or practically dried up.

Despite the excellent work done by the Department of Agriculture, American farming methods are in many sections of the country both careless and wasteful. The abundance of land in past years seemed to justify our free use of it, nevertheless such use has in many cases resulted in a serious loss of fertility. Careless tillage and a failure to rotate crops have resulted in a heavy loss of nitrogen, potassium, phosphorus, and other essential soil elements.

Heretofore we have used coal very lavishly. Often as much coal has been wasted as has been mined. Mining corporations have often neglected low grade coal deposits, and have abandoned mines without having first removed all of the accessible high grade coal. Imperfect combustion, both in dwellings and in industrial establishments, is said to waste more than a third of our coal, as well as creating a costly and injurious smoke nuisance. Our consumption of coal is doubling every ten years. In view of the fact that our coal deposits are limited, this increasing consumption is a serious development.

Iron, too, has been used wastefully. The bog iron deposits of the Atlantic coast were used up before 1800, and as the result of an intense industrial development since 1850, the supply of high grade ores is being speedily diminished. Oil and gas have been used lavishly, and even, in some cases, deliberately wasted.

369. HIGH PRICES.—The lavish use of natural resources which has characterized the American people since colonial times has been an important factor in the cost of living. In early days there was an abundance of resources and few people to use them; at present the supply of many of our resources is greatly diminished, and there is a much larger population seeking to use them. In the case of every natural resource the supply is either limited or is failing to increase as rapidly as are the demands upon it. The result is higher prices for coal, wood,

iron, oil, gas, and similar commodities. It is at least partly due to the heavy drain upon our resources that the cost of building homes, heating them, feeding the population, and carrying on the varied activities of American industry is steadily increasing.

370. MONOPOLY.—Throughout the history of our natural resources there has been a strong tendency toward monopoly. Natural resources should be safeguarded for the benefit of the people as a whole, yet much of our natural wealth has been monopolized by individuals. Four fifths of our timber lands are privately owned, and of that four fifths about half is controlled by 250 companies. Two thirds of the developed water power in this country is controlled by a small group of power interests. Defective land laws, the lax administration of good laws, and extravagant land grants to railroads have allowed private fortunes to be built up without a proportionate advantage to the public. Coal and petroleum deposits are controlled largely by a few corporations, while a heavy percentage of our copper and iron deposits is in private hands.

371. THE CONSERVATION MOVEMENT.—After the middle of the nineteenth century the growing scarcity of many natural resources called attention to the need of conserving them. Conservation means to utilize economically, rather than to hoard. It means, furthermore, that resources should be used so that both the present and future generations will reap a proper benefit from America's great natural gifts.

Thus conservation seeks, Mr. Van Hise once said, "the greatest good to the greatest number, and for the longest time." The dawn of the conservation idea stimulated a reaction against the careless administration of natural resources. Toward the end of the 19th century, there was an increasing amount of legislation encouraging the legitimate use of natural resources on the one hand, and repressing monopoly on the other. After the opening of the twentieth century interest in conservation increased. In 1908 President Roosevelt called a conference of the governors of the various states for the purpose of considering this vital problem, and from that meeting dates a definite and nationwide conservation policy in this country.

Some of the effects of this changing attitude toward natural resources may now be noted.

372. FORESTS AND WATER POWER.—In 1891 a Federal law provided for a system of national forest reservations. These reservations now include a substantial proportion of our forests, and are steadily extending their limits. Since 1897 there has been a Bureau of Forestry which has performed invaluable services. Forest fires have been reduced, denuded areas have been reforested, forest cutting has been controlled, and a constructive program of forest culture developed. Forest reserves under the control of the individual states now total more than 10,000,000 acres. Of late years there has been an increasing use of dams and reservoirs for the storage

of flood waters and the development of water power. This regulation of streams gives a uniform flow of water both for navigation and for irrigation purposes.

373. THE LAND.—The desire to encourage the home-maker has long been the motive power behind our public land policy, but unfortunately many of our earlier land laws did not prevent peculators and large corporations from fraudulently securing control of land intended for the *bona fide* or genuine settler. Within the last quarter of a century our land laws have been reorganized, with the double aim of doing justice to this type of settler, and of suppressing speculation and monopoly. As the result of Land Office investigations in 1913, more than 800,000 acres were returned to the public domain, on the ground that they had been secured through fraud.

The Department of Agriculture has steadily extended its scope. Better methods of cultivation, lessons in soil chemistry, and experiments with new and special crops have helped conserve the resources of the land. An elaborate system of experiment stations has been built up since 1887. The Weather Bureau in the Department of Agriculture saves millions of dollars' worth of property annually by sending out warnings of frost, storm, and flood.

Reclamation is increasingly important. New crops are being developed for the semi-arid areas of the West. Swamp lands in the East and South are being

drained. Levees and breakwaters along the Mississippi are helping to prevent the loss of arable land through the river's changes in course.

Even more important is the irrigation movement. In 1894 the Carey Act gave Federal encouragement to several western states in irrigation projects, and in 1902 the Reclamation Act provided for the construction of irrigation works under the direction of the Secretary of the Interior. The plan provided by the Act of 1902 is self- supporting, the expense of the construction and improvement of the irrigation system being met from the sale of public lands. The administration of the Reclamation Act has already resulted in millions of acres being brought under cultivation.

374. MINERALS.—Until 1873 coal lands were disposed of on practically the same terms as agricultural lands. But after that date laws restricting the purchase of coal lands began to be increasingly severe. In 1910 Congress withdrew from public sale nearly 100,000,000 acres of coal, petroleum, and phosphate lands. At the present time the discovery of coal on land secured by settlers for purely farming purposes entitles the government to dispose of the coal deposits under special conditions. There is also a tendency for the government to demand higher prices of individuals buying public coal lands.

In some quarters there is a demand that all coal lands be leased rather than sold. The Federal

government has not yet yielded to this demand, but Colorado and Wyoming now lease rather than sell their coal lands. Under the lease system in these states, the state retains ownership, but allows private individuals a definite commission per ton of coal mined. The lease system is also advocated in the case of lands containing iron, oil, and gas deposits, on the grounds that it safeguards the interests of the public and at the same time allows the mining corporations a fair profit.

375. REASONS FOR OPTIMISM.—In spite of the appalling waste which has been characteristic of our administration of natural resources, the outlook is distinctly encouraging. Resources used by past generations are gone forever, but at last we are making rapid strides in conserving what is left. Not only this, but we are perfecting plans for an increased supply of those resources which can be replenished.

The admirable work of our Forest Service promises not only to reduce the present waste of wood products, but actually to increase the supply of timber. The Service deserves high praise both for its work in saving and replenishing forests, and for its wise handling of forest problems involving other resources. "By reasonable thrift," runs a report of the Forest Service, "we can produce a constant timber supply beyond our present need, and with it conserve the usefulness of our streams for irrigation, water supply, navigation, and power."

We now appear thoroughly awake not only to the necessity of safeguarding what is left of the public domain, but also to the necessity of increasing the productivity of inferior lands. There are still in this country more than 300,000,000 acres of unappropriated and unreserved land. Three fourths of this area is at present fit only for grazing, but the rapid development of kaffir corn, durum wheat, Persian clover, and other crops suitable for dry soils bids fair greatly to increase the productivity of this land.

The irreplaceable character of our mineral deposits, together with the tendency for large industrial interests to monopolize minerals. has greatly stimulated the conservation of these resources. A valuable step forward has been the reclassification of public lands to allow of special treatment of lands containing mineral deposits. Coal is still used lavishly, but nine tenths of our original deposits are still in existence. Furthermore, water power, electricity, and other substitutes for coal are being developed. Our high grade iron ores will be exhausted in a few decades, but an iron shortage may be prevented by more careful mining, the use of low grade ores, and the use of substitutes.

376. DIFFERENT RESOURCES CALL FOR DIFFERENT TREATMENT.—A wise conservation policy will take note of the fact that different resources call for different types of treatment. Coal, petroleum, oil, and gas are limited in extent and are

practically irreplaceable. These should be taken from the earth and utilized as economically as possible. The same is true of the metallic minerals, such as iron and copper, though here the use of substitutes is of greater importance than in the case of non-metallic minerals.

Water can best be conserved by the wise development of water power sites, and by the careful utilization of streams.

Forests may be renewed, but slowly. Their conservation requires the prevention of fires, the reduction of waste in cutting and milling, the use of by-products, and scientific reforestation.

Soil elements may also be renewed, though slowly and with difficulty.
Reforestation prevents erosion and thus conserves soil fertility.
Systems of crop rotation designed to retain nitrogen, potassium, and
phosphorus are valuable.

377. SOME CONSERVATION NEEDS.—The above considerations indicate some of our conservation needs. It is believed by most students of conservation that the Federal forest holdings should be extended and consolidated. There is need for more stringent forest fire regulations, especially in the case of private forests. In order to reforest the denuded areas and to grow timber scientifically some such plan as

the German system of forest culture might be adopted. There is urgent need of a systematic development of our inland Waterways. The construction of more dams and reservoirs, the dredging of rivers and harbors, the co÷rdination of canals and inland waterways, and the improvement of the Mississippi-Great Lakes system, all these would be helpful measures. Irrigation and other reclamation projects, including the drainage of swamp lands, should be developed systematically. American farming methods ought still further to be improved. We are in need of laws penalizing wasteful methods of mining and prohibiting uneconomical methods of combustion. Probably the system of leasing rather than selling mineral lands should be extended.

A last vital need in conservation is co÷peration between state and Federal authorities, and between private individuals and public agencies. This is of great importance. Where rivers course through several states, and where forest fires in one section threaten adjacent forest areas, co÷peration must be secured. The Governors' Conference of 1908 stimulated co÷peration between the states and the Federal government, and since 1909 the National Conservation Association has been a means of co÷rdinating the work of all persons and agencies interested in conservation. There is still, however, little co÷peration between state or Federal governments on the one hand, and private owners on the other. It is a matter of special regret that

although four fifths of our forests are privately owned, both fire prevention and scientific forestry are little developed on private estates.

378. THE QUESTION OF ADMINISTRATION.—Though it is conceded on all sides that our natural resources ought to be utilized economically, there is much discussion as to whether the states or the Federal government ought to dominate the conservation movement.

Those favoring the extension of Federal control over conservation point out that forest control, irrigation, conservation of water power, and similar projects are distinctly interstate in character, and are thus properly a Federal function. Federal administration is said to be necessary in order to insure fair treatment of different localities. Finally, it is maintained, the states have either neglected the question of conservation, or have handled it in their own interests rather than with regard to the national welfare.

A strong party maintains, on the other hand, that conservation is primarily a state function. The movement is said to be too large for the Federal government to handle. It is contended that there is no specific warrant in the Constitution for the Federal control of conservation. It is also claimed that Federal administration of natural resources has been accompanied by waste and inefficiency. Conservation is said to be a local question, best

administered by those most interested in the problem, and, by reason of their proximity to it, most familiar with it.

The problem of administration is a difficult one. In a number of cases the claims for and against Federal control are obviously sound. But from the standpoint of the public the whole matter is of secondary importance: the problem of administration ought to be decided on the basis of what is best under particular circumstances. Some phases of conservation are probably best looked after by the states, others by the Federal government, still others by the state and Federal governments jointly. The problem of conflicting authority ought somehow to be solved. Conservation is too vital a matter to be hampered by the question of method or means.

QUESTIONS ON THE TEXT

1. What was the attitude of the early settler toward natural resources?

2. Discuss the growing scarcity of natural resources.

3. What is the relation of lavish use of natural resources to the cost of living?

4. What part has monopoly played in the history of our natural resources?

5. Describe the origin and early development of the conservation movement.

6. Outline the conservation of forests and water power.

7. How is land being conserved?

8. What is the purpose of the Reclamation Act of 1902?

9. What measures have recently been taken to safeguard our mineral deposits?

10. Why may the present outlook for conservation be said to be optimistic?

11. Outline our conservation needs.

12. Why is co÷peration essential to the conservation movement?

13. Give the chief arguments for and against Federal administration of conservation.

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxx.

Or all of the following:

2. Coman, *Industrial History of the United States*, chapter xi.

3. Reed, *Form and Functions of American Government*, chapter xxxiii.

4. Van Hise, *Conservation of Natural Resources in the United States*, Introduction.

QUESTIONS ON THE REQUIRED READINGS

1. Into what two classes may natural resources be divided? (Van Hise, page 1.)

2. Discuss the sale of the public domain under the early land acts. (Reed, page 382.)

3. Outline the destruction of fur-bearing animals by the early settlers. (Coman, page 377.)

4. Explain the effects of depleted pasturage in the West. (Coman, pages 381-382.)

5. What are the aims of the Inland Waterways movement? (Coman, page 394.)

6. What part did Gifford Pinchot play in the Conservation movement? (Van Hise, pages 4-5.)

7. What is the origin of the National Conservation Commission? (Van Hise, pages 7-8.)

8. What is the nature of the North American Conservation Conference? (Van Hise, page 9.)

9. Describe the character of the National

Conservation Association. (Van Hise, pages 12-13.)

10. Why should the Conservation movement be carried forward as rapidly as possible? (Van Hise, page 14.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Interview an old resident with regard to the relative abundance of forests, cheap land, and wild game in your locality a half century ago.

2. Extent and utilization of forests in your state.

3. Draw up a comprehensive plan for the prevention of forest fires.

4. Extent of unused land in your state. What is being done to make this land more productive?

5. Classify the mineral deposits of your state. By whom are they controlled?

6. List the water-power sites in your locality. Draw up a plan for reforestation which would include constructive measures for the conservation of land and water power as well as forests.

7. If possible, visit a lumber camp or a mine, and observe the methods of work.

8. Outline a plan for a local conservation club, to be affiliated with the National Conservation Association.

II

9. The principles of conservation. (Van Hise, *Conservation of Natural Resources*, pages 359-362.)

10. Relation of population to conservation. (Van Hise, *Conservation of Natural Resources*, pages 375-380.)

11. The use of our forests. (Van Hise, *Conservation of Natural Resources*, pages 218-260.)

12. Water power. (Van Hise, *Conservation of Natural Resources*, pages 106-185; Huntington and Gushing, *Principles of Human Geography*, chapter ix.)

13. Irrigation. (Van Hise, *Conservation of Natural Resources*, pages 185-202; Huntington and Gushing, *Principles of Human Geography*, chapter xvii.)

14. Inland waterways. (Huntington and Gushing, *Principles of Human Geography*, chapter vi.)

15. Federal control of water in Switzerland: (*Annals*, vol. xxxiii, No. 3, pages 113-121.)

16. Land laws of the United States. (Van Hise, *Conservation of Natural Resources*, pages 279-297.)

17. Legal problems of reclamation. (*Annals*, vol. xxxiii, No. 3, pages 180-192.)

18. The work of Gifford Pinchot. (Consult an encyclopedia.)

19. The Congress of Governors, 1908. (Van Hise, *Conservation of Natural Resources*, appendix i.)

20. The North American Conservation Conference. (Van Hise, *Conservation of Natural Resources*, appendix ii.)

21. The National Conservation Association. (Van Hise, *Conservation of Natural Resources*, appendix iii.)

FOR CLASSROOM DISCUSSION

22. To what extent should state governments regulate private forests? (Consult *Annals*, vol. xxxiii, No. 3, pages 26-37.)

23. Should all mineral lands be leased rather than sold?

24. Is the adoption of a program of scientific forest culture at this time economically justified?

25. Under our present laws is it possible effectively to co÷rdinate the conservation work of state and Federal governments?

26. Are higher prices an effective check to the

excessive use of forest and mineral products?

27. State versus Federal administration of conservation. (Consult the Debaters Handbook Series.)

CHAPTER XXXI

CREDIT AND BANKING

379. SOME PRELIMINARY DEFINITIONS.—Money may be defined as anything that passes freely from hand to hand as a medium of exchange. Money is of two types: first, coin, including gold, silver, nickel, and copper coins; and second, paper money, including several kinds of certificates and notes. Both types of money, coin and paper, are called "cash." Credit refers to a promise to pay money or its equivalent at a future date. A bank is an institution which makes it its special business to deal in money and credit. A check is a written order directing a bank to pay a certain sum of money to a designated person. A bank note is a piece of paper money or currency which constitutes the bank's promise to pay in coin and on demand without interest, the sum

named on the face of the note. A reserve fund is an amount of money or securities which a bank habitually keeps on hand as a partial guarantee that it will be able to meet its obligations.

380. TYPES OF BANKS.—Of the several types of banks, the savings bank is perhaps the most familiar to young people. A savings bank will receive deposits of one dollar or more, and will pay interest on these amounts. But the savings bank does not pay out money on checks drawn against deposits. Indeed, it may require a formal notice of several days before deposits can be withdrawn.

In many states there are trust companies. In addition to performing the function of a commercial bank, trust companies take care of valuable papers, execute trusts and wills, and sometimes guarantee titles to land.

The investment bank is usually a private institution, conducted chiefly in the interests of certain large industrial organizations.

A fourth type of bank is the commercial bank, with which this chapter is chiefly concerned. The commercial bank derives its name from the fact that it deals largely with business men. If classified on the basis of their charters, rather than on the basis of function, commercial banks may be either National, State, or private banks.

381. PRIMARY FUNCTION OF THE COMMERCIAL BANK. [Footnote: Throughout the remainder of this chapter the word "bank" should be taken as referring to the commercial bank.]—The primary function of a commercial bank is to receive the deposits of persons who have saved sums of money for which they have no immediate use, and to make loans to persons who desire them. Of course, those who have deposited sums with a bank may draw on their accounts at any time, either themselves demanding sums of the bank, or directing the bank, by means of checks, to pay specified sums to others. But experience has taught the bank that if it keeps on hand a reserve fund equal to from five to about thirty-five per cent of the sums for which it is liable to depositors, it will ordinarily be able to meet all the demands for cash which depositors will be likely to make upon it. The bank may then loan out to business men the remainder of the money deposited with it. This not only encourages production, but it allows the bank to secure a reward for its services. This reward is in the form of interest paid by those who borrow of the bank.

382. THE NATURE OF BANK CREDIT.—When an individual actually deposits with a bank $100 in cash, the bank becomes owner of the $100, and in turn writes down on its books the promise to pay to the depositor, as he shall direct, amounts totaling $100. The depositor receives a check book, and may draw part or all of the $100, as he likes.

Now it may happen that an individual may wish to increase his checking account at the bank, but that he has no actual cash with which to make a deposit with the bank. In this case he may give the bank his promissory note, together with stocks, bonds, or other forms of wealth, which the bank holds as security. In return, the bank credits him with a "deposit." This means that the bank extends its credit to the individual, by undertaking to honor checks for sums not actually received from the depositor.

The bank has received valuable security from the borrower and hence feels justified in extending him a deposit credit. But, why does a bank feel *safe* in undertaking to pay out sums of money which it does not actually have in its vaults? The answer is that the bank attempts to keep on hand a reserve fund sufficient to meet all demands for cash which may be made upon it. If the reserve fund is relatively large, the bank will ordinarily loan its credit freely. If the cash reserve is relatively low, the conservative bank may refuse further loans, on the grounds that its cash reserve is too low to justify the acceptance of additional obligations. The only safe alternative to this is for the bank in some way to increase its reserve fund, and then proceed to extend the amount of credit justified by this increased reserve.

383. DANGERS OF BANK CREDIT.—The integrity of these various operations rests upon the confidence which people have in the bank's ability to make good its promises. Confidence in the deposit credit of a

bank exists when the past experience of depositors has taught them that the bank in question will habitually exchange either coin or bank notes for checks. Bank notes are ordinarily accepted in the place of coin, because people believe the credit of the bank issuing those notes to be so firmly established that the bank would be able and willing to exchange coin for its notes, upon demand. A bank is enabled to meet these obligations promptly, it should be remembered, because it keeps on hand, against the demands of depositors, a reserve fund of cash, or securities which by law it is allowed to count as cash. If all of the depositors of a bank suddenly and simultaneously demanded the full amount of their deposits in coin, the bank would be unable to accommodate them; as a matter of fact, business men normally leave in the bank that share of their deposits which they do not actually need. So long as men have confidence in a bank, they will prefer checks and bank notes to the less convenient coin, unless they need coin for some special purpose.

If properly managed a bank is a profitable business for everyone concerned. But even though properly managed, a bank may occasionally find itself in a precarious position. There are few matters which the average person comprehends as vaguely as banking, and few things which more vitally interest him than the safety of his money. These two facts combine to render banking extremely sensitive to every rumor of unsoundness. The careful regulation of banking by

law is therefore necessary.

384. THE NATIONAL BANKING SYSTEM.—The Civil War plunged our government into serious financial straits. To improve the finances of the Federal government there was created, in 1863, a system of national banks. The original act of 1863 is still the basis of our banking system, though it has since been modified a number of times, notably in 1913.

We speak of a "national banking system," but as a matter of fact this term is inexact. From the beginning of their history, the so-called national banks were "national" only in the sense that they were chartered by the Federal government, and were subject to examination by Federal inspectors. These national banks constituted no definite system: they transacted business much as other banks did, they had no branches, and they had little to do with one another. There was little team-work, and no effective leadership, so that in time of a threatened panic the different parts of the "system" worked at cross-purposes instead of as a unit.

385. WHY A BANKING SYSTEM MUST BE ELASTIC.—A good banking system will be elastic, *i.e.* it will respond promptly to the varying needs of business. Money and credit constitute a mechanism by means of which business is handled, just as the labor force of a factory constitutes a means of handling the output of the factory. If the output of

the factory increases, a larger labor force is needed; if the output dwindles, fewer laborers are needed. Similarly, if business increases in volume, an increased amount of money and credit is necessary to handle the increased volume of business. If, on the other hand, business declines, the volume of money and credit ought to decline also. Otherwise, there will be so much money and credit in circulation, relatively to the amount of goods, that high prices will result.

High prices will result for the following reason: Money and credit are used to exchange against goods. As a general proposition, all the available goods in a community are in a process of exchanging against all of the available money and credit in the community. If goods are relatively few and money and credit are relatively plentiful, a small amount of goods can command a large amount of money and credit, *i.e.* the goods will sell for high prices. A sound banking system, therefore, will allow an expansion of money and credit instruments when business is booming, and will permit the contraction of the mechanism of exchange when business is growing dull.

The old national banking system was inelastic in two ways: first, it provided an inelastic supply of deposit credit; second, it provided an inelastic supply of currency or bank notes.

386. INELASTICITY OF DEPOSIT CREDIT

(RESERVES).—It will be recalled that the amount of loans which a bank may make depends upon the maintenance of an adequate reserve fund. From this it follows that the larger the reserve fund the more loans the bank will feel justified in making. Similarly, if the reserve fund shrinks, sound banking demands that loans be curtailed. Keeping these facts in mind, there were two reasons why the supply of deposit credit was inelastic before 1913.

In the first place, individual banks kept only a part of their reserves actually in their vaults. The remainder, and sometimes the larger part, of their reserves was maintained in the form of deposits in other banks. Banks in towns and small cities habitually kept part of their reserves in the form of deposits in the banks of large cities, and the latter in turn kept part of their reserves in the banks of New York City, the financial center of the country. Hence the cash reserves of the country tended to collect in New York, where they were utilized by New York banks as a basis for extending loans.

This was a dangerous arrangement. In the fall of the year large amounts of cash were demanded in the West, in order to pay farm hands and otherwise "move the crops." At such times the small western banks had to demand their deposits in larger banks, while these in turn had to call for their deposits in the New York banks. The New York banks were often embarrassed by these demands, because they made a practice of fully utilizing the funds left with them, as

a basis for extending loans. The call in the West for cash meant a curtailment of these loans with a consequent demoralization of eastern money markets.

In the second place, individual banks were unable to extend loans to customers beyond the point justified by the amount of reserves in their vaults, or deposited to their credit in other banks. A bank with a total reserve of $10,000 might feel justified in loaning its credit to the extent of $100,000, but in case demands for additional loans were made upon it, sound banking practice would oblige it to refuse accommodation. Otherwise it might later find itself unable to get enough cash to pay out against claims made in the form of checks. This practice of curtailing loans when reserves were depleted was demoralizing to business, since the disappointed customer might find his entire business blocked, and this in turn would inconvenience or seriously injure all those who were connected with him in a business way. Before 1913, each bank stood as a unit, and when its reserves were depleted it could not secure temporary aid from other banks. There was no centralized control, and no method whereby national banks might secure help of one another.

387. INELASTICITY OF CURRENCY (BANK NOTES).—We have seen that an increased volume of business demands an increased volume of money and credit. In the previous section it was pointed out that before 1913 the volume of *deposit credit* in this

country was inelastic. We must now notice that *bank notes*, or *paper currency*, are just as truly a part of the volume of money and credit as is deposit credit, and we must note, also, that just as deposit credit was inelastic before 1913, so the issue of bank notes was inelastic. Previous to 1913 it often happened that the supply of bank notes was smallest when business was expanding, and that the issue of bank notes increased during dull business periods. This statement requires some explanation.

The Act of 1863 provided that National banks might issue bank notes only after depositing in the Federal Treasury an amount of United States government bonds sufficient to render the bank notes absolutely safe. Naturally, the banks made heavy purchases of bonds when the bond market was depressed, and tended to purchase relatively few bonds when those securities were high in price. Since the only reason for purchasing bonds was to enable the b banks to issue notes, more notes were issued when bonds were low in price, and fewer were issued when bonds were high. Unfortunately, the same general conditions that stimulated business also tended to raise the price of bonds, while the causes of slack business often operated to lower bond prices. This means that when business was expanding, and more notes were needed, bonds were so high that few were purchased, and consequently few notes were issued. Similarly, when business was dull, more bonds were purchased, and more notes issued.

388. THE PANIC OF 1907.—The panic of 1907 attracted attention to these two great defects of the old national banking system, *i.e.* the inelasticity of deposit credit and the inelasticity of currency. In the fall of 1907, a bumper crop caused Western banks to make unusually large demands for cash upon the New York banks. Unfortunately, this depletion of reserves came at precisely the time when the demand upon New York banks for loans was greatest. There was thus increased pressure exerted upon New York banks for loans, but less justification for extending them. In response to the pressure for loans, some New York banks over-extended their credit. In October the inability of a few prominent banks to pay in cash all of the demands made upon them started a series of bank "runs." Even solvent institutions were unable to meet their obligations promptly and many failures occurred. A large number of banks were technically insolvent, that is to say, their assets were invested in forms which prevented their immediate conversion into cash, so that for the time being demands for cash could not be met. The lack of an effective banking system prevented these banks from securing temporary aid from banks more favorably situated.

389. REFORM.—The panic of 1907 stimulated financial experts to attempt to remedy the defects of our banking system. In 1908 a monetary commission was appointed to investigate banking experience at home and abroad. As the result of this investigation

it appeared advisable to establish a system which should secure some of the advantages of such centralized banking systems as have long existed in many European countries. A single central government bank was at first recommended by experts, but this was deemed politically inexpedient. In view of this fact resort was had to a compromise between a centralized and a decentralized system. This compromise was effected by the Federal Reserve Act of 1913.

390. FRAMEWORK OF THE FEDERAL RESERVE SYSTEM.—The Act of 1913 is administered by the Federal Reserve Board, consisting of the Secretary of the Treasury and the Comptroller of the Currency, *ex officio*, and five other members appointed for ten years by the President. The country is divided into twelve districts, in each of which there is located a Federal Reserve bank. In each district every National bank must subscribe six per cent of its capital and surplus for stock in the Federal Reserve bank, and thus become a "member" bank. State banks and trust companies may, upon the fulfilment of certain conditions, become member banks. Each Federal Reserve bank is governed by a board of nine directors, six of whom are elected by the member banks of its district, and three of whom are appointed by the Federal Reserve Board. The Federal Reserve banks are bankers' banks, that is, they do not ordinarily deal directly with individuals, but with member banks only.

391. ELASTICITY OF DEPOSIT CREDIT (RESERVES).—The piling up of bank reserves in New York is impossible under the Federal Reserve system. The reserves of any member bank do not ordinarily move beyond the district, for a member bank may count as legal reserve only those funds which it has placed on deposit in the Federal Reserve bank of its district. There exists what may be called district centralization of reserves; that is to say, all of the legal reserves of all the member banks of a particular district are concentrated in the Federal Reserve bank of the district, and can be utilized as a unit by that Federal Reserve bank. If in time of stress the total reserves of the district are insufficient, the Federal Reserve Board may arrange for the temporary transfer of surplus funds from one Federal Reserve district to another. This secures one of the most important advantages of a central bank without actual centralization.

Elasticity of deposit credit is also provided for in the "rediscounting device." A bank discounts commercial paper when it loans an individual, say, $980, on the security of a $1000 promissory note. The $20 represents an amount which the bank counts out, or discounts, as payment for the service. A further operation, long known in Europe as rediscounting, was authorized by the Act of 1913. When the reserves of a member bank are too low to justify further extensions of deposit credit, the bank can send certain types of discounted paper to the

Federal Reserve bank of its district, and receive in return either a deposit credit or a special form of paper currency called Federal Reserve notes.

392. ELASTICITY OF CURRENCY (BANK NOTES). —When, in return for discounted commercial paper, the Federal Reserve bank extends a deposit credit to the member bank, the *deposit credit* of the member bank is rendered more elastic. When, on the other hand, the Federal Reserve bank sends the member bank Federal Reserve notes in exchange for discounted paper, the result is a certain elasticity in the *currency*.

The Federal Reserve notes are a new type of currency. They are secured by the maintenance, in the vaults of the Federal Reserve banks, of a forty per cent gold reserve for their redemption. Since these notes are issued to member banks in return for rediscounted paper, the expansion of business and the resultant tendency of member banks to send discounted paper to the Federal Reserve bank for rediscount causes the volume of Federal Reserve notes to expand. When the need for additional currency has subsided, there is an arrangement whereby a certain amount of the Federal Reserve notes may be withdrawn from circulation. This is important, for if the amount of money in circulation continues to be enormous after business has declined, inflation and high prices result. *A truly elastic banking system necessitates contraction as well as expansion.*

393. THE OUTLOOK.—On the whole, it would seem that the Federal Reserve System is a happy compromise between the centralized banking systems of Europe and the highly decentralized system existing in this country prior to 1913. The Federal Reserve system allows us to secure the main benefits of a great central bank without the political difficulties attendant upon the existence of such a bank. It does a great deal to make elastic our supply of money and credit. The Federal Reserve Board can mobilize the entire banking strength of the country in time of stress, so that the strength of one member bank is the strength of the whole system. Since it controls not only a substantial proportion of the bank reserves of the country, but also the privilege of note issue on the security of rediscounted paper, the Federal Reserve Board can administer the member banks as a unit. The system may not eliminate panics, but it is fair to expect that it will reduce their number and lessen their violence.

QUESTIONS ON THE TEXT

1. Distinguish between money and credit.

2. Name and distinguish between the four types of banks.

3. What is the primary function of a commercial bank?

4. Explain clearly the nature of bank credit.

5. If the cash reserve of a bank is low, and the bank is confronted with demands for loans, in what two ways may it dispose of these demands?

6. What dangers attend the extension of bank credit?

7. Describe the national banking system.

8. Why should a banking system be elastic?

9. Explain the inelasticity of deposit credit before 1913.

10. Discuss the inelasticity of bank note issue under the old national banking system.

11. What was the significance of the panic of 1907?

12. Outline the framework of the Federal Reserve System.

13. Explain in detail how the Act of 1913 provides for elastic deposit credit.

14. Explain the "rediscounting device."

15. How does the Act of 1913 provide for an elastic bank note issue?

16. What is the present outlook with respect to our banking system?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxxi.

Or all of the following:

2. Ely, *Outlines of Economics*, chapter xv.

3. Fetter, *Modern Economic Problems*, chapter ix.

4. Seager, *Principles of Economics*, chapter xx.

5. Guitteau, *Government and Politics in the United States*, chapter xxx.

QUESTIONS ON THE REQUIRED READINGS

1. Outline the financial powers of Congress. (Guitteau, page 361.)

2. Describe the First and Second United States banks. (Guitteau, pages 369-370.)

3. What were the main functions of the national banks? (Guitteau, pages 371-373.)

4. What are collateral loans? (Seager, pages 346-347.)

5. What are the limitations upon the use of bank credit? (Seager, pages 352-353.)

6. In what ways are depositors in national banks

protected? (Seager, pages 358-359.)

7. What is the Independent Treasury system? (Ely, pages 297-298.)

8. Explain the relation of "moving the crops" to bank credit. (Ely, pages 298-299.)

9. How does the Bank of England secure elastic reserves? (Ely, page 302.)

10. What was the Aldrich-Vreeland Act? (Ely, pages 305-306.)

11. Enumerate some of the powers of the Federal Reserve banks. (Fetter, page 121.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Write to a number of banks in your vicinity asking for literature describing the varied services which they offer the public.

2. Outline some of the more important banking laws of your state.

3. What are the limits of the Federal Reserve district in which you live? In what city is the Reserve Bank located? Why do you suppose it is located in this city?

4. List the banks in your vicinity that are members of the Federal Reserve system.

5. Interview an official of a bank belonging to the Federal Reserve System upon the advantages of such membership.

6. Interview a friendly official of a bank which does not belong to the system. Try to ascertain the reasons why this bank does not belong to the Federal Reserve System.

II

7. Nature and function of money. (Ely, *Outlines of Economics*, chapter xiv; Fetter, *Modern Economic Problems*, chapter iii.)

8. Functions of a bank. (White, *Money and Banking*, part iii, chapter i; Fetter, *Modern Economic Problems*, chapter vii; Fiske, *The Modern Bank*, chapter iv.)

9. The bank statement. (White, *Money and Banking*, part iii, chapter ii.)

10. The clearing house. (White, *Money and Banking*, part iii, chapter iii; Fiske, *The Modern Bank*, chapter x.)

11. The credit department of a modern bank. (Fiske, *The Modern Bank*, chapter xvii.)

12. Bank reserves. (Fiske, *The Modern Bank*,

chapter xxii.)

13. Greenbacks. (White, *Money and Banking*, part ii, chapter iii.)

14. The check system. (Dunbar, *Theory and History of Banking*, chapter iv.)

15. Colonial finance. (Dewey, *Financial History of the United States*, chapter i.)

16. The First United States Bank. (White, *Money and Banking*, part iii, chapter vi.)

17. The Second United States Bank. (White, *Money and Banking*, part iii. chapter vii.)

18. The national banking system. (White, *Money and Banking*, part iii, chapter xiv; Dewey, *Financial History of the United States*, chapter iv; Fetter, *Modern Economic Problems*, chapter viii.)

19. The panic of 1907. (Coman, *Industrial History of the United States*, pages 335-337; Noyes, *Forty Years of American Finance*, chapter xv; White, *Money and Banking*, part iii, chapter xviii.)

20. The Bank of England. (Dunbar. *Theory and History of Banking*, chapter viii.)

21. The Bank of France. (Dunbar, *Theory and History of Banking*, chapter ix.)

22. The German bank. (Dunbar, *Theory and History*

of Banking, chapter x.)

23. Organization of the Federal Reserve System. (*Annals*, vol. lxiii, pages 88-97.)

24. The Federal Reserve act and foreign trade. (*Annals*, vol. lxiii, pages 132-141; Kemmerer, *The A B C of the Federal Reserve System*, chapter ix.)

FOR CLASSROOM DISCUSSION

25. Should we adopt a centralized banking system such as exists in England, France and Germany? (See the Debaters' Handbook Series.)

26. Should all State banks and trust companies be required by law to become members of the Federal Reserve System?

27. What would be the best method of acquainting the general public with the fundamental principles of banking?

CHAPTER XXXII

TAXATION

394. THE INCREASING COST OF GOVERNMENT.—In the United States, as in other modern civilized countries, the cost of government is steadily increasing. The settlement of the Great West, the depletion of natural resources and the transition from a primitive to an industrial economy have obliged our government to pay out larger and larger sums for the services of public officials, and for the materials and commodities used for public purposes. The growth—of our cities and the increasing complexity of our industrial life have greatly increased the number of activities which it is to our advantage to carry on, not individually, but collectively or through the agency of government. The spread of altruism and the widening of the concept of social service have caused the extension of governmental activity in such new fields as social insurance, recreation, and public health. Altogether, our total government expenditure is more than seventeen times as large as it was a half century ago, while the per capita expenditure is more than five times as great.

395. SOURCES OF PUBLIC REVENUE.—Writers on taxation generally enumerate as sources of public revenue, public industries, the public domain, gifts, confiscations, fees, special assessments, fines, and taxes. At various times and in different countries of the world, all of these have been important, but in the United States at the present time taxes are by far the most important source of public revenue.

A tax may be defined as a compulsory contribution exacted from the individual by the government, for the purpose of defraying expenses incurred for the common welfare. The government does not return to the individual taxpayer a definite commodity or service. In return for taxes the government indeed renders many valuable services, such as public education, the safeguarding of health, and protection from domestic violence and foreign war. But on account of the collective character of these services, no attempt is made to apportion the payment exacted of the individual to the benefit which he as an individual receives.

Until recently our national government secured most of its revenue from taxes on imports, and from excises or internal taxes on such commodities as tobacco and liquor. Since national prohibition went into effect (1919), the Federal revenues are derived mainly from taxes on imports, from income and inheritance taxes, and from taxes on corporations.

More than three fourths of the receipts of state and local governments are derived from the general property tax, the amounts collected from other sources being as yet relatively unimportant. The general property tax is supposed to be levied upon all the property in the possession of taxpayers, though as we shall see a little later, this tax works out very badly. The old "poll" or head tax was formerly important, but at present less than two thirds of one per cent of state and local revenues are

derived from this source. In most states it is being abandoned because of its small yield, and because of the difficulty and expense in collecting it.

A. DEFECTS IN AMERICAN TAXATION

396. LACK OF A TAX SYSTEM.—The fundamental defect of American taxation is the lack of a definite and co÷rdinated system. The tax laws of most states have been radically changed during the last few decades, and are still in a process of development. In many states old taxes are being modified or abandoned, and new taxes adopted. But too often this is being done without regard for the taxation reform of other states or of the Federal government. As a result, the tax burden weighs unequally upon different classes, while between state and state, or between state and Federal government, there is an overlapping of tax power. The effect of this overlapping is to create undue confusion, and to demoralize both tax officials and taxpayers.

397. LEGAL RESTRICTIONS UPON TAXING POWER.—A serious defect of American taxation is the lack of correspondence between taxing power and fiscal needs. Let us inquire into this.

The Federal government has important functions to perform, but has practically unlimited taxing power. So far as the national government is concerned, the problem of finding sources of revenue

is relatively simple.

The functions assumed by the state governments are as yet relatively few and inexpensive, while the power of the state to tax is but slightly abridged by the Federal Constitution. States have relatively little difficulty in making both ends meet.

Local governments, and especially municipal governments, have a large number of functions which are increasingly important. Of the total government expenditure in this country, about 35 per cent is made by the Federal government, 10 per cent by the state governments, and 55 per cent by the local governments. But whereas Federal and state governments have relatively adequate taxing powers, the taxing powers of local governments are narrowly restricted by the state constitution and statutes. Such local functions as health, public school education, and recreation are constantly demanding greater expenditures, yet local governments as yet have few opportunities for securing necessary funds.

398. DEFECTS IN TAX ASSESSMENT.—The defects of tax assessment are clearly illustrated in the workings of the general property tax, called by some authorities the worst tax in the civilized world. The basis of levy is the work of local assessors, who are generally elective. The assessors estimate the value of millions of dollars' worth of property, and their estimates are the basis of the tax rates for not only township and county, but generally for the state as

well. Incapable and dishonest assessors often work injustice by underestimating the value of some forms of property, and overestimating the value of other forms. In addition, political pressure is brought to bear upon the assessor to cause him to undervalue the property of the township or county as a whole, so that the local unit will bear a relatively small share of the taxes of the state.

The estimates of the local assessors are commonly subject to correction by a county, and sometimes by a state, board of equalization. The duty of such a board is to make assessments uniform and just, but notwithstanding the efforts of these bodies, unequal and unfair assessments have persisted.

399. DIFFICULTY OF TAXING INTABGIBLE PROPERTY.—Where taxation is on the basis of assessment, it often happens that the tax burden rests unequally upon different forms of property. Property in tangible form, such as land, cattle, and houses, is easily discoverable, and hence cannot easily evade the payment of taxes. But intangible property, such as bonds, stocks, or mortgage, can easily be hidden, so that owners of this type of property often evade their share of the tax burden.

This evasion is often practiced in the case of the general property tax, which is intended to reach both tangible and intangible property. The general property tax worked well a century ago when the greater share of wealth existed in tangible form,

because local assessors could easily locate such things as land and live stock. But the rapid development of corporations, bringing with it a rapid increase in the proportion of intangible forms of property, has rendered the general property tax grossly unjust. The assessors of the general property tax cannot easily discover intangible property, unless taxpayers co÷perate with them. The all too frequent lack of such co÷peration causes a disproportionate share of the tax burden to fall upon tangible property. The general property tax is haphazard, ineffective, and demoralizing to both tax officials and taxpayers.

400. DOUBLE TAXATION.—By double taxation is meant the taxation of an individual or different individuals twice for the same thing. Double taxation is of two kinds.

The first type of double taxation is illustrated by the taxation of both tangible property and the paper claim upon that property. For example, a state may tax a land-owner on his land, and also tax another resident of the state on the mortgage which he holds against that land. Or it may happen that a state will tax the land, buildings and other tangible equipment of a corporation, and at the same time tax those of its residents who hold stock in that corporation, *i.e.* individuals who hold paper evidence of ownership in the tangible equipment of the corporation. More generally, however, this type of double taxation arises when the holder of the paper claim resides in

one state, while the tangible property lies in another state. In such a case, it is common for one state to tax the paper claim, and for the other state to tax the property itself. This type of double taxation is manifestly unfair, and often imposes a ruinous burden upon property.

The second type of double taxation is illustrated by the overlapping of similar taxes between state and state, or between Federal and state governments. Because it is the practice of most states to seek revenue without regard to the taxing activities of other states, or of the Federal government, it may happen that corporations, incomes, or inheritances are taxed by more than one agency of government. If a scientific and co÷rdinated tax system were deliberately to provide for this, the supposition would be that such taxation were reasonable and just, because intended to bear with equal weight upon all forms of property in the taxable class. But because such taxation is haphazard, it bears with unequal weight upon corporations and individuals, and is therefore unjust.

Moreover, it encourages the evasion of tax burdens. Individuals and corporations sometimes migrate from localities or states in which they are subject to double taxation, to localities or states in which the danger of such taxation is less. This in turn has the evil effect of tempting states and municipalities to neglect taxes on corporations, incomes, and inheritances for the sake of attracting

wealthy individuals and large industrial organizations from neighboring areas.

B. SOME SUGGESTED TAX REFORMS

401. IDEALS OF TAXATION.—Summarizing the views of the more generally accepted writers on taxation, we may say that the following are the basic ideals in taxation:

Taxes should take as little as possible from the people and still meet the needs of government. Taxes should be uniform, that is, all taxable articles of the same class should be levied upon at the same rate. It is also important that the time, manner, and amount of the tax should not be arbitrary, but that the individual's convenience as regards the terms of payment should be considered. From the standpoint of the government, taxes should be easy to administer and economical to collect.

A good tax system will be elastic, so that taxes may easily be increased or decreased, according as the revenue needs of the government change. The ability to pay ought to have some influence upon the extent to which an individual is taxed. Taxes should adapt themselves somewhat to the local sentiment as to what is expedient or socially desirable.

Finally, taxation policies should be systematized and co÷rdinated.

402. ESSENTIALS OF A TAX SYSTEM.—The construction of an ideal tax system in this country would involve three steps.

In the first place, each branch of government should be enabled to secure revenues actually needed for justifiable purposes. In this regard the greatest need is to increase the taxing powers of our municipalities. This is imperative if the cities of the future are to care for their citizens properly.

A second fundamental step relates to the separation of taxing power. Each branch of government should pretty well confine its use of the taxing power to definite types of taxable wealth. The Federal government, for example, might secure most of its revenue from import duties, excises, an income tax, and stamp taxes of various kinds. Many taxation experts believe that the states ought to confine themselves mainly to license, corporation, inheritance, and, possibly, income taxes. Local governments might well secure most of their revenue from taxes on franchises, licenses, and real estate. Such a separation of taxing power might aid in the adjustment of fiscal needs to taxing power, as well as helping to remedy the evil of double taxation. However, a complete separation of taxing powers is not necessarily desirable, and certainly it is not practicable, for there is a growing tendency toward duplication in income, inheritance, and other taxes. At the present time, for example, not only the Federal government, but many of the states levy

income and inheritance taxes.

A third fundamental step would be the co÷rdination of local, state, and Federal taxing authorities. The central aim of such co÷rdination should be so to distribute tax burdens that no form of taxable wealth would escape its just burden, and so that no form of wealth would be subjected to unduly heavy taxation. There is a growing feeling that to prevent double taxation and similar evils, all local taxing bodies ought to be co÷rdinated under the state authorities, while for similar reasons the Federal government ought to have some measure of direction or control over that share of state taxation which is interstate in its effects.

403. REFORM OR ABOLITION OF THE GENERAL PROPERTY TAX.—The reform of state and local taxation logically begins with the general property tax.

In many states attempts are being made to reform this tax. In some cases "tax ferrets" are employed to discover tax evaders, a policy which may easily lead to corruption and favoritism. In other states the conviction is growing that local elective assessors ought to be supplanted by a permanent corps of state assessors, appointed under the merit system. This would reduce the danger of unequal and unfair assessments.

In other states there is a tendency to abandon the

general property tax altogether. In New York, Massachusetts, Pennsylvania, and other states, there is a marked tendency to turn over the general property tax to local governing bodies. In such cases it is intended that the state shall depend for most of its revenue upon income, corporation, inheritance, and license taxes.

The future will doubtless see a more widespread tendency toward the reform or abolition of the general property tax. In some states, however, such changes in the taxation system require constitutional amendment, and constitutional amendment is often a slow and tedious process.

404. REFORM IN LAND TAXATION.—Coupled with plans for the reform or abolition of the general property tax are proposals for the reform of land taxation. A primary aim of these proposals, some of which suggest elements of the single tax doctrine, is to secure a more correct assessment of land values. In many cases a state does not now tax the holder of a mortgage when the mortgaged land is also within the state and thus directly subject to taxation. This is a desirable development, but we ought to go still further, so that the holder of a mortgage would not be taxed whether or not he lived in the same state as the owner of the land. A mortgage is obviously not social wealth, but a paper claim on wealth, and this wealth ought not to be taxed twice.

Some authorities believe that the tax rate on land

ought substantially to be increased, when it appears that such land is being held for speculative purposes. To encourage improvements, it is also proposed that certain permanent improvements on land be temporarily exempted from taxation. Lastly, it would appear socially desirable to levy special taxes on urban sites, so as to secure for the community some share of the future unearned increment.

405. THE INCOME TAX.—All taxes ultimately come out of income, but when we speak of an income tax we refer to a direct levy upon income as it arises, chiefly in the form of wages, salaries, and profits. A Federal income tax was levied during the Civil War, but in the nineties the Supreme Court held that such a tax violated the constitutional provision that Congress shall not lay direct taxes except in proportion to the population of the states. In 1913 the Sixteenth Amendment to the Constitution permitted Congress to lay and collect taxes on incomes without apportionment among the several states, and without regard to any census or enumeration.

Since 1913 Congress has passed several income tax laws, and a number of the states have also adopted this form of taxation. The essential features of these laws are as follows. Incomes below a certain amount are exempt from taxation. The limit of untaxable income is raised for married persons living together. In calculating their net income, individuals may make allowance for debts, business expenses, and

certain other items. Upon all taxable income above a certain minimum there is then levied a flat rate, constituting a "normal" tax. Where incomes exceed a certain amount, there is an additional tax. Thus the income tax is said to be "progressive," that is, the larger the income the higher the tax rate.

Many benefits are claimed for the income tax. It falls upon those best able to pay, and it is not easily evaded or shifted by the person upon whom it is levied. It is elastic and can readily be increased or reduced according as revenue needs change. Its progressive character is a feature which is considered socially desirable.

The chief defects of the income tax are two. In the first place, the effectiveness of the tax depends upon the willingness of the individual to declare his full income. This is not always done, especially where the income tax is regarded as an undue interference in the private affairs of the individual. Second, wealthy individuals often migrate to states where there is either no income tax or only a relatively light one. This last defect of course applies only to the state income tax.

406. THE INHERITANCE TAX.—Taxes upon inheritances have come into prominence since the opening of the twentieth century. Since 1916 the Federal government has levied an inheritance tax. At the present time most of the states also levy this form of tax upon property passing by will or under the

inheritance laws of the state. The essential features of the tax are everywhere the same. Small legacies are generally exempt. Legacies to direct heirs are either exempt, or are taxed at a lower rate than are legacies to collateral heirs. The rates are progressive, that is to say, they increase with the size of the legacy.

Many benefits are claimed for the inheritance tax. It brings in a large revenue, and falls upon those who are best able to pay. The tax cannot be shifted and it cannot easily be evaded. It is easily assessed and collected, because all wills must pass through the probate court. It is held that the state has a social claim upon the property of an individual who has amassed wealth under the protection of its laws, and that this property ought not to be transferred intact to those who did not aid in its accumulation.

If carried too far the inheritance tax would undoubtedly discourage the accumulation of wealth, but tax authorities are already guarding against this danger. On the whole, the inheritance tax is an important addition to our tax system. Its scope is being rapidly extended: rates are being raised, the principle of progression is being more frequently applied, and exemptions allowed direct heirs are being reduced. The tax is increasingly used in the effort to redistribute unearned wealth, though the extent to which this is true depends very largely upon local sentiment.

407. CORPORATION TAXES.—The rapid growth of American industry has been accompanied by an enormous increase in the number and importance of industrial corporations. The proper taxation of these bodies is now challenging the attention of both state and Federal governments.

The difficulties of taxing corporations are two: First, how to prevent that form of double taxation which results from the fact that several states may levy taxes of varying weight upon interstate corporations. Second, how to prevent that form of double taxation which imposes a burden both upon the tangible property of the corporation and upon the stocks and bonds representing ownership in that tangible property.

A number of taxation experts suggest meeting the last-named difficulty by exempting from taxation stocks, bonds, and other securities, and by imposing, instead, a tax directly upon the capitalization of the corporation itself. In the case of corporations which are local and of moderate size, this might be effected by the reform of tax laws within a single state. Where, on the other hand, corporations are distinctly interstate in character, such reform would require either a careful co÷rdination of the tax laws of the several states, or a corporation tax which should be purely Federal in character.

The first difficulty mentioned above would likewise have to be met, either by the co÷rdination

of state tax systems, or by allowing taxes on interstate corporations to be levied solely by the Federal government.

It is claimed by some economists that the virtual impossibility of effectively co÷rdinating the tax laws of the various states renders it imperative that all interstate corporations be taxed solely by the Federal government. In such a case the Federal government would be taxing interstate corporations partly for its own benefit, and partly as the agent of the various states. It is said also that such a Federal tax should be levied on corporations at the source, *i.e.* upon capitalization rather than upon stocks and bonds. Being applied at the source, it would reach all forms of corporation wealth. It would be easy and economical to administer. So far as corporations are concerned, a purely Federal tax on interstate corporations might prevent both forms of double taxation.

Even though the states consented to a purely Federal tax on interstate corporations, however, it might prove difficult for state and Federal governments to agree upon a fair division of the joint revenues derived from such a tax.

QUESTIONS ON THE TEXT

1. Why is the cost of government increasing?

2. Name some sources of public revenue.

3. What is a tax?

4. What is the fundamental defect of American taxation?

5. In what way is there an inadequate apportionment of taxing power to fiscal needs in American government?

6. What is the chief difficulty of tax assessment?

7. Why is it difficult to tax intangible property?

8. Enumerate the fundamental defects of the general property tax.

9. Distinguish between the two forms of double taxation.

10. Outline some fundamental ideals in taxation.

11. What are the three steps necessary in the formulation of a satisfactory tax system in this country?

12. To what extent is the general property tax being reformed or abolished?

13. Discuss the reform of land taxation.

14. Describe the nature of the income tax.

15. What are the benefits and defects of such a tax?

16. Describe the inheritance tax. What are its benefits? What are its dangers?

17. What are the two difficulties in the way of taxing corporations? What are some suggested methods of meeting these difficulties?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxxii.

Or all of the following:

2. Bullock, *The Elements of Economics*, chapter xv.

3. Ely, *Outlines of Economics*, chapter xxxiv.

4. Fetter, *Modern Economic Problems*, chapter xvi.

5. Guitteau, *Government and Politics in the United States*, chapter xvii.

QUESTIONS ON THE REQUIRED READINGS

1. Classify the purposes of public expenditures. (Guitteau, pages 187- 188.)

2. What is the "police function" of government? (Fetter, page 241).

3. What is a franchise tax? (Guitteau, pages 201-202.)

4. What is the "magic fund" delusion? (Bullock, page 370.)

5. Distinguish between proportional, regressive, and progressive taxation. (Bullock, page 373.)

6. What is an excess profits tax? (Bullock, pages 382-383.)

7. What is the importance of the license tax? (Bullock, pages 392- 393).

8. Distinguish between direct and indirect taxation. (Ely, pages 710- 711.)

9. What are "taxes on transactions"? (Ely, pages 719-720.) 10. What is meant by the shifting or incidence of taxation? (Fetter, pages 252- 253.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a list of enterprises supported out of public funds and providing services free to all, regardless of the payment of taxes.

2. Discover which of the following taxes are levied in your state: general property tax, income tax, inheritance tax, poll tax, license tax, transaction tax, sales tax, luxury tax, mortgage tax, franchise tax, excess profits tax.

3. Are tax assessors in your locality appointed or elected? Are there county or state boards of equalization in your state? How are these boards chosen?

4. Interview a friendly tax assessor concerning the difficulties of determining property values. Does he believe that people systematically undervalue their own property? What proposals does he make for the reform of the present method of assessment?

5. Interview a friendly taxpayer. What is his attitude toward the poll tax? the general property tax? the income tax? What proposals does he make for the reform of taxation in your state?

6. The general property tax in your state.

7. Status of the income tax in your state.

8. Status of the inheritance tax in your state.

9. The taxation of corporations in your state.

II

10. Federal revenues. (Guitteau, *Government and Politics in the United States*, chapter xxix.)

11. Public expenditures. (Ely, *Outlines of Economics*, chapter xxxi; Seager, *Principles of Economics*, chapter xxvi; Plehn, *Introduction to Public Finance*, Part II, chapter i; Bullock, *Selected Articles on*

Public Finance, chapter iii; Ford, *The Cost of Our National Government*.)

12. The power of Congress to tax. (Young, *The New American Government and its Work*, chapter v; Beard, *American Government and Politics*, chapter xiii.)

13. Taxation in American cities. (*Annals*, vol. xxviii, pages 155- 172.)

14. Personal taxes. (Fetter, *Modern Economic Problems*, chapter xviii.)

15. The poll tax. (Bullock, *Selected Articles on Public Finance*, chapter x.)

16. Breakdown of the general property tax. (Taussig, *Principles of Economics*, vol. ii, chapter lxix.)

17. Protection against improper state taxation. (Young, *The New American Government and its Work*, chapter xxv.)

18. Double taxation. (Seligman, *Essays in Taxation*, chapter iv.)

19. The corporation tax. (Seligman, *Essays in Taxation*, chapters vi and vii.)

20. Separation of state and local revenues. (Seligman, *Essays in Taxation*, chapter xi; Bullock, *Selected Articles on Public Finance*, pages 445-460.)

21. Excises. (Plehn, *Introduction to Public Finance*,

chapter vi.)

22. Customs duties. (Plehn, *Introduction to Public Finance*, chapter vii.)

23. The excess profits tax. (*Annals*, vol. lxxvii, pages 147-159.)

24. The incidence of taxation. (Plehn, *Introduction to Public Finance*, chapter xi.)

25. Financing the United States in the World War. (Plehn, *Introduction to Public Finance*, Part iv; *Annals*, vol. lxxvii, all.)

FOR CLASSROOM DISCUSSION

26. As a principle of taxation, which is more important, the payment of taxes according to the benefit derived, or payment according to ability?

27. What is the remedy when individuals conceal from the tax authorities the amount of their intangible wealth?

28. Does the income tax constitute an undue interference in the private affairs of the individual?

29. To what extent does the inheritance tax tend to discourage the accumulation of wealth?

30. To what extent should the poor be taxed?

31. Can the adequate taxation of corporations be secured without resorting to a corporation tax which shall be purely Federal in character?

32. Should the national debt be paid? (See Bullock, *Selected Articles on Public Finance,* chapter xxiv.)

B. MAKING GOVERNMENT EFFECTIVE

CHAPTER XXXIII

WHO SHALL SHARE IN GOVERNMENT?

408. DISTINCTION BETWEEN CITIZENSHIP AND THE SUFFRAGE.—Citizenship implies membership in a nation. A citizen owes allegiance to his government, and in return is entitled to the fundamental advantages of organized government, such as the protection of life, liberty and property at home and abroad. Suffrage, on the other hand, is the privilege of sharing in government by the exercise of the vote. Most voters are also citizens, but less than a third of the citizens of the United States are voters. Citizenship is determined by the Federal authorities,

the Constitution declaring that all persons born or naturalized in the United States are citizens thereof. The suffrage is a privilege which is controlled by the individual states, subject to certain regulations imposed by the Federal government.

409. SIGNIFICANCE OF THE SUFFRAGE.—In a representative democracy such as the United States, the question of the suffrage is of fundamental importance. Public officials are agents which have been chosen to administer the affairs of government. Every public official in the United States is either chosen directly by the people, or is chosen by agents who themselves have been selected at the polls. The right to vote is thus the right to share in the control of government. And not only are voters making rules and regulations for their own government, but they are governing those citizens to whom the suffrage has not been extended. It is because of this double responsibility resting upon the American voter that a fundamental problem of effective government is concerned with the suffrage.

410. SUFFRAGE IN THE SEVENTEENTH AND EIGHTEENTH CENTURIES.—In colonial times the American suffrage was narrowly restricted. Though the theory that all men were free and equal was known in political circles, the actual conduct of government was largely in the hands of the propertied classes. With a few exceptions, no Negro was allowed to vote. As a general rule, women were also debarred from the suffrage. Even white adults

were denied the exercise of the suffrage unless they could meet certain property and religious qualifications.

The Declaration of Independence laid emphasis upon the principle that governments derive their just powers from the consent of the governed. Nevertheless this principle was not held to apply to the internal politics of the American states, and so there was at this time no widespread feeling that all adults had an equal right to share in government. In an important sense, the American Revolution was fought to maintain the principle that England could not govern the colonies without their consent. But here again it should be noted that none of the states that won independence interpreted that principle to mean that all of their free adult citizens had a right to govern themselves through the vote. Colonial standards of suffrage were largely carried over into our earlier national history, and in 1789 probably less than five per cent of the American people were voters. Interpreted in terms of the suffrage, American democracy was still very narrowly restricted.

411. SUFFRAGE AS A NATURAL RIGHT.—According to the doctrine of natural rights, all men are born free and equal, and are entitled to certain fundamental rights of which they may not be deprived. Many of the colonists were familiar with this theory, but not until after 1800 did it constitute an important basis for maintaining that all adult white males were entitled to the suffrage. After the

opening of the nineteenth century, however, it was more common for propertyless men to maintain that just as they had a natural right to life, liberty, and the pursuit of happiness, so they had a natural right to the suffrage. The principle that governments derive their just powers from the consent of the governed was by many interpreted to mean that men possessing property had no right to govern men who could not meet the property qualifications accompanying the suffrage. The cry of "No taxation without representation," was also raised in the interests of white adult males who paid taxes, but who were not allowed to vote.

412. EXTENSION OF THE SUFFRAGE IN THE NINETEENTH CENTURY.—During the first three quarters of the nineteenth century, the suffrage widened steadily. Religious qualifications practically disappeared before 1850. After a long drawn out struggle most of the eastern states practically eliminated the property qualification from their suffrage laws. This change was due, in large part, to the influence of the doctrine of natural rights. There were additional factors, of course. In many places along the Atlantic seaboard, for example, the extension of the suffrage was somewhat in response to the influence of the doctrine of natural rights, but it was also partly due to the economic pressure exerted by the increasing number of landless laborers who were crowding into the manufacturing cities and towns.

The extension of the suffrage during this period is closely associated with the development of the West. Whereas the eastern states removed property and religious qualifications only after a struggle, many western states imposed few or no restrictions upon the suffrage, but from the start were committed to the principle of equality at the polls. The doctrine that governments derive their just powers from the consent of the governed was popular in the West; indeed, it was here that the doctrine was first applied to the problem of suffrage in a definite and practical manner. In the more sparsely settled portions of the country, able-bodied men were more important than social distinctions and religious ties, so much so, in fact, that some of the western states attracted settlers by giving the vote to aliens who had announced their intention of becoming citizens. After the Civil War some of the southern states made similar advances to European immigrants.

After the Civil War the suffrage movement was profoundly affected by the Negro question. The Thirteenth Amendment, adopted in 1865, had merely abolished slavery. In the subsequent discussion over the status of the Negro, some white men held that the theory of natural rights entitled the freed Negroes to the suffrage. This view was opposed by many, particularly in the South. Nevertheless, in 1868 the Fourteenth Amendment to the Constitution provided that any state denying any of its male adult citizens the right to vote might suffer a reduction in

its congressional representation. Two years later (1870) the Fifteenth Amendment went a step further, and declared that the right of citizens of the United States to vote might not be denied or abridged on account of race, color, or previous condition of servitude.

The nineteenth century also witnessed an increased interest in woman suffrage. The proposition was not unknown even in colonial times, but the earlier state constitutions and statutes had almost invariably excluded women from the vote. After the middle of the century the woman suffrage movement grew rapidly, stimulated, to a considerable extent, by the movement for abolition and Negro suffrage. In 1852 Susan B. Anthony assumed leadership of the woman suffrage movement, and in 1875 she drafted a proposed amendment to the Federal Constitution which would provide for woman suffrage throughout the country. The territory of Wyoming had extended women full suffrage in 1869, and a decade later the right to vote in school elections had been extended the women of Michigan, Minnesota, and several other States. By 1896 Colorado, Idaho, and Utah had extended full suffrage to women.

413. DECLINE OF THE NATURAL RIGHTS THEORY.—During the latter half of the nineteenth century the doctrine of natural rights was of declining importance as a basis of the suffrage. The doctrine was illogical, for not even its most ardent

advocates would go so far as to maintain that paupers and mental defectives had an inherent right to vote. Nor did anyone claim that persons under twenty-one years of age had such a right.

As time went on, the connection between the suffrage and the doctrine of natural rights seemed more and more remote. Men came gradually to believe that the suffrage was not a right but a *privilege*, and that the capacity of the individual to use the vote in the public interest was the factor which should determine whether or not he should enjoy the suffrage. This changed viewpoint reflected itself in several important shifts in the suffrage movement.

414. SHIFTS IN THE SUFFRAGE MOVEMENT.—To a considerable extent the decline of the doctrine of natural rights was accompanied by increased restrictions upon the right to vote. We have noted that many western and a few southern states formerly made a practice of extending the vote to aliens who had announced their intention of becoming citizens. After the seventies there was a tendency for such states to withdraw this privilege, and to make citizenship a prerequisite to voting. One reason for this changed attitude was that as time went on immigrant labor was less in demand in the West and South. Still another factor, however, was the abuse of the ballot among unassimilated immigrant groups in our cities.

After the middle of the nineteenth century, there was a growing feeling, originating in New England and spreading westward, that illiterate voters were a menace to sound government. Accordingly, educational tests were imposed in a number of states. These tests generally require voters to be able to read and write.

The enfranchisement of the Negro was followed by reaction. The exercise of the suffrage by ignorant Negroes suddenly admitted to full suffrage, resulted in gross abuses of political power. As a result many southern states eventually passed laws which virtually deny the vote to the larger part of the possible Negro electorate. In some cases white election officials administer the educational test so strictly as to exclude most Negroes. In other cases a property or poll tax qualification has been used to exclude large groups of shiftless Negroes. In still other cases a "grandfather clause" in the state constitution exempts from the educational test all who are descendants of persons voting before the Civil War. This allows white illiterates to vote, but excludes illiterate Negroes.

On the other hand, the cause of woman suffrage was greatly stimulated by the decline of the doctrine of natural rights and the rise of the theory that civic capacity should determine the suffrage. Particularly after 1900 did the agitation take on national importance. A national Woman Suffrage Association was organized, and powerful pressure was brought to

bear upon persons of political influence. Between 1910 and 1912 Washington, California, Oregon, Kansas, and Arizona were won to the cause of woman suffrage. Finally in August, 1920, the amendment which Miss Anthony had drafted in 1875 was ratified and declared in force. Women are now allowed the vote on the same terms as men.

415. PRESENT RESTRICTIONS ON THE RIGHT TO VOTE.—The suffrage in the several states at the present time may be summarized as follows:

In every state voters must be at least 21 years of age. In a few states the vote is extended to aliens who have declared their intention of becoming citizens. In every state a period of residence is required of voters, the usual period being between six months and a year. Educational qualifications are imposed in about a third of the states. A number of southern and a few northern states require voters to be assessed for a poll tax. In practically every state such abnormal persons as the feeble-minded, the insane, paupers in institutions, and certain types of criminals are excluded from the suffrage. Untaxed Indians, and foreign-born Chinese and Japanese do not enjoy the suffrage.

416. PRESENT STATUS OF THE SUFFRAGE MOVEMENT.—The suffrage movement has steadily increased the number of potential voters until at the present time there are more than 30,000,000 persons in the United States who are entitled to the vote. The

important groups of the adult population have been enfranchised, but the suffrage movement still involves important problems. In view of our changing attitude toward the suffrage we face four unanswered questions:

First, should the present restrictions on the suffrage be lowered? Second, should they be made more severe? Third, in view of the fact that naturalization automatically makes voters of many individuals, to what extent ought the grant of citizenship to be determined by the individual's promise as a voter? Fourth, what should be our attitude toward Negro suffrage?

Let us summarize the fundamental considerations which must be borne in mind in discussing the four problems suggested above. This done, we may briefly consider the most pressing of these questions, *i.e.* that involving Negro suffrage.

417. THE SUFFRAGE IS A PRIVILEGE AND NOT RIGHT.—The significance of the difference between citizenship and the suffrage should be clearly understood. Citizenship is a fundamental matter. In return for allegiance to his government, the citizen may be considered as being entitled to that measure of protection which is deemed necessary to his safety and well-being. But though we speak loosely of the "right" of suffrage, the suffrage is a privilege, not a right. The individual cannot claim it as a corollary of citizenship. Nor does mere residence in a democratic

country entitle the individual to the ballot. The safety and well-being of the citizen are not necessarily dependent upon his exercise of the vote. Indeed, incapable persons may be better off if they are excluded from the suffrage, provided, of course, that the voting class holds itself responsible for the government of the excluded groups. Fitness alone justifies the suffrage.

418. WHAT CONSTITUTES FITNESS?—The ballot cannot be exercised by the unfit without endangering the whole fabric of government. But what is the standard of fitness? The history of the suffrage in the United States throws some light upon this question. In colonial times the plea of the propertied classes was that fitness was primarily a matter of racial origin, the ownership of property, or church affiliation. According to the theory of natural rights, fitness was vaguely associated with manhood and citizenship. More recently we have come to believe that while many factors influence the capacity of the voter, such factors as religion, racial origin, and ownership of substantial amounts of property, are not vital. A definite standard of fitness has never been established, but at least we can say that fitness means both the desire and the capacity to serve the state by an honest and intelligent use of the ballot.

419. THE QUESTION OF NEGRO SUFFRAGE.—We are beginning to suspect that the attention attracted by Negro suffrage is due, not so much to the injustice of disfranchising the Negro as to the spectacular

circumstances surrounding the American Negro. It is unjust, of course, to exclude the Negro from the vote merely because of his race. But exclusion of Negroes not qualified to make an intelligent use of the ballot is no more unfair than are the educational tests imposed by many northern states. To exclude illiterate Negroes from the vote, and at the same time to allow illiterate whites the ballot, is, on the other hand, manifestly unfair. But far more productive of good than debating this unfairness is the attempt to fit the Negro for the vote as a prerequisite to his exercise of it. During this preparation the Negro should have before him the incentive of securing the ballot when he has made sufficient progress in education and civic responsibility.

420. PROBLEM OF AN INTELLIGENT ELECTORATE.—The problem of building up an intelligent electorate gives rise to two additional questions: First, how may the enfranchised classes be trained to a full realization of their civic responsibilities? Second, to what extent is intelligent voting dependent upon actual exercise of the suffrage? The first question has been treated elsewhere, and we may close this chapter with a brief consideration of the second question.

It is maintained by some that no one should be admitted to the suffrage who has not first demonstrated his capacity to use the vote intelligently. Others reply that this capacity comes only through actual exercise of the vote. The solution

of this problem probably lies in a judicious combination of theory and practice. A boy cannot learn to swim by standing on the bank and forever listening to theoretical instruction; on the other hand, it may prove fatal to push him into deep water without preparation for that step. Instruction and practice must go hand in hand, wisely interwoven and harmonized.

Similarly, it would seem, one way to secure an intelligent electorate is to admit individuals to the suffrage only when they demonstrate a minimum capacity for civic service, but at the same time to recognize that *full* moral development can come only through actual exercise of the vote.

QUESTIONS ON THE TEXT

1. Distinguish between citizenship and the suffrage.

2. Why is the suffrage important in a representative democracy?

3. Discuss the suffrage in colonial times.

4. What was the probable extent of the suffrage in 1789?

5. What is the doctrine of natural rights?

6. How was this doctrine applied to the question of the suffrage?

7. Why was the suffrage in the eastern states widened in the nineteenth century?

8. Discuss the suffrage in the new West.

9. Describe the enfranchisement of the Negro.

10. Outline the early development of the woman suffrage movement.

11. Discuss the decline of the natural rights theory.

12. Outline some recent shifts in the suffrage movement.

13. Enumerate the present restrictions on the right to vote.

14. What is the present status of the suffrage movement?

15. What is meant by saying that the suffrage is a privilege and not a right?

16. What is meant by saying that "fitness" is the basis of the suffrage?

17. What can be said as to the question of Negro suffrage?

18. To what extent does intelligent voting depend upon actual exercise of the ballot?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,* chapter xxxiii.

Or all of the following:

2. Beard, *American Citizenship,* chapter vi.

3. Cleveland, *Organized Democracy,* chapters x and xii.

4. Porter, *A History of Suffrage in the United States,* chapter i.

5. Seymour, *How the World Votes,* vol. i, chapters i and ii.

QUESTIONS ON THE REQUIRED READINGS

1. What is the relation of political to civil liberty? (Beard, pages 64-65.)

2. Name some groups of people who were excluded from the suffrage in colonial times. (Porter, page 5.)

3. What were some of the early arguments for giving propertyless men the vote? (Beard, pages 66-67.)

4. What was Dorr's Rebellion? (Beard, page 69.)

5. What is the significance of the "foreign vote"? (Beard, pages 73- 74.)

6. What are the four theories of suffrage? (Seymour, pages 1-2.)

7. In what form did the suffrage enter the American colonies? (Seymour, page 9.)

8. What theory of suffrage supplanted the theory of natural rights? (Seymour, pages 13-14.)

9. What effect has the suffrage upon the individual? (Seymour, pages 15-16.)

10. Discuss the educational test. (Cleveland, pages 172-174.)

11. To what extent is bearing arms against the country a disqualification for voting? (Cleveland, page 176.)

12. What is the purpose of compulsory voting? (Cleveland, pages 176- 178.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Civil rights guaranteed by the constitution of your state.

2. History of woman suffrage in your state.

3. Citizenship as a prerequisite for voting in your state.

4. Present restrictions on the right to vote in your state.

5. List the groups or classes of people in your community who are not allowed to vote. What is the proportion of these classes to the total population of the community? What per cent of these excluded classes are aliens? What is the basis for exclusion in each case? Would you favor the extension of the vote to any of these groups? Explain.

II

6. Colonial suffrage. (McKinley, *The Suffrage Franchise in the Thirteen English Colonies in America*; Cleveland, *Organized Democracy*, chapter x.)

7. Dorr's Rebellion. (Consult any standard text on American history or an encyclopedia.)

8. Suffrage and the frontier. (Seymour, *How the World Votes*, vol. i, chapter xi.)

9. Property and tax-paying qualifications in the nineteenth century. (Porter, *A History of Suffrage in the United States*, chapters ii- iv.)

10. Woman suffrage in the nineteenth century. (Consult Porter, Seymour, or the *Cyclopedia of American Government*. [Footnote: Throughout the remainder of this text the student will find it to his advantage to make frequent use of the *Cyclopedia of*

American Government, edited, in three volumes, by A. C. McLaughlin and A. B. Hart. N.Y. 1914. Appleton and Company. This cyclopedia will furnish considerable material for students seeking either general information on political subjects, or special information for topic work.])

11. History of the Nineteenth Amendment. (Consult American Yearbooks, and also newspaper files for August, 1920.)

12. Effect of the Fourteenth and Fifteenth Amendments upon the suffrage. (Kaye, *Readings in Civil Government*, pages 113-116.)

13. Negro suffrage. (Consult an encyclopedia, or any standard work on American government.)

14. Types of individuals who are excluded from the suffrage. (Cleveland, *Organized Democracy*, chapter xii.)

15. Duties of the American voter. (Forman, *The American Democracy*, pages 14-15.)

FOR CLASSROOM DISCUSSION

16. To what extent is the doctrine of natural rights still influential in American political discussions?

17. Do you favor an amendment to the Federal Constitution, providing that no state may extend the

suffrage to persons who are not citizens of the United States?

18. How long should a potential voter be required to live in a state before being allowed to exercise the ballot?

19. To what extent does the educational test show the fitness of the individual to make the right use of his vote?

20. Should all convicted criminals be denied the vote during the remainder of their lives?

21. Just what constitutes fitness for the suffrage?

CHAPTER XXXIV

THE POLITICAL PARTY

421. NATURE OF THE POLITICAL PARTY.—A political party may be defined as a voluntary association of voters, entered into for the purpose of influencing elections to public office. The individuals comprising a party have certain broad political principles in common, and these they seek, by

organized effort, to have applied to actual government. Just as individuals differ on matters of business or religion, so it is human nature for the voters of a community to form varying opinions as to the nature, functions, and methods of government. And just as men tend to draw away from those with whose opinions they do not agree, so they tend to draw toward those with whom they are in agreement, and with whose co÷peration they may advance principles of mutual interest. It is this natural tendency of men, first, to differ with one another, and second, to form associations for the advancement of mutual aims, that has led to the formation of political parties.

422. DEVELOPMENT OF PARTIES IN THE UNITED STATES.—The American political party is older than the nation. Differences of political opinion divided the American colonists into Whigs and Tories. Later, party spirit was manifested in the formation of the Revolutionary committees of correspondence. The struggle over the Constitution of 1787 divided men into Federalists and Anti-Federalists. The question of a broad or a strict construction of the constitution, the tariff, and the problem of slavery in the territories,—these are a few of the great national issues that have influenced party lines. Before the Civil War party spirit had extended to all parts of the country, evidencing itself in a number of party organizations. Many of these organizations proved temporary, but since the Civil War party lines have

been relatively fixed. For more than a half century there have been two great parties, the Democratic and the Republican. Third parties have been either temporary or relatively unimportant.

423. PARTY ORGANIZATION.—There is no constitutional basis or provision for American political parties, nevertheless each of the great parties has built up a powerful organization which co÷rdinates party members in every part of the country. In practically every township, village, election district, and city ward there are party agents and local committees whose work it is to promote the interests of the party both at election time and between elections. The local party workers constitute a link between individual voters and the county or State committees, while these latter groups in turn connect with the national committee of the party.

It is the work of all those officially connected with this centralized organization to win adherents to the party standard, to place issues before the voters, to stimulate interest in candidates, to organize meetings and clubs, to collect funds for party support, to secure the registration of voters, and to see that they get to the polls. Party opinion is formed by means of personal contacts, campaign literature, speeches, parades, and every manner of propaganda. Party opinion is formally expressed through the caucus, the primary, the convention, and the regular election. (See Sections 435-438.)

424. SERVICES PERFORMED BY THE POLITICAL PARTY.—The political party performs three great services. [Footnote: The following arrangement of the services of the political party was suggested to me by Professor W. B. Munro, of Harvard University. For a fuller discussion see Chapter XXII of his *The Government of the United States*, The Macmillan Company, New York, 1919.]

The first of these is that the party provides machinery which bridges over the gaps between local, state, and National government. Similarly, it often serves to bring the executive, legislative, and judicial branches of government into harmony with one another. The check and balance system so divides authority in American government that in many ways the different branches and divisions of government are unco÷rdinated. The party facilitates the working of American government because party members affiliated with one division of government will tend to co÷perate with members of the same party who may be in control of other divisions of government. For example, a Democratic governor tends to co÷perate with the Democratic members of the state legislature. Similarly, a Republican President will tend to work in harmony with those members of his party who are in control of purely state government.

The second great service performed by the party is that it formulates public issues and presents them in concrete shape to the voters. Just as in industry it is

the function of the entrepreneur to co÷rdinate the other factors of production, so in government it is the function of the politician to act as a co÷rdinator. Indeed, President Lowell calls the politician a broker, without whose services popular government would be impossible. If voters went to the polls with no previous agreement as to candidates or issues, but each determined to vote for whomever he liked, thousands of names might be found on the ballot. If a majority were required to elect, no individual would be chosen. The party thus performs a valuable service by formulating those principles which will attract the greatest number of voters, and by definitely associating those principles with particular candidates. These issues and these candidates the party places squarely before the electorate, to the exclusion of minor issues and unimportant candidates. The party is thus a means whereby democracy makes up its mind, and expresses that mind with a minimum of confusion and disorder.

The third great service of the political party is that it provides a means of collective and continuing responsibility in politics. If a candidate were not affiliated with any political party, misbehavior in office might result in his removal or in his failure to secure reŰlection. But here responsibility would end. When, on the other hand, the party selects, supports, and vouches for a candidate, the party constitutes a definite and permanent pledge to the voters. Thus the party is stimulated to select its candidates

carefully, lest their incompetence or dishonesty fatally injure the reputation of the party. The past exploits of the party are appropriated for future campaigns; conversely, the failure or misbehavior of an officeholder will be pointed out by his political enemies as typical of the party to which the unfortunate man belongs.

425. THE ABUSE OF PARTY POWER.—Though party government confers substantial benefits, it is likewise true that the power of the political party has been frequently abused. American party organizations sprang up silently, and developed largely without legal control. Increased power has been accompanied by diffused responsibility; increased power and diffused responsibility have led to the abuse of power. The evils of the party are numerous, and only those of fundamental importance can be discussed in this text. Some of these evils will appear in successive chapters; a few may be treated here. In every case, it should be borne in mind, the basic defect of party government is that the party has tended to use its power primarily for private rather than public ends.

426. CAMPAIGN CONTRIBUTIONS.—Throughout much of our national history one of the great evils of the political party has had to do with contributions to the campaign fund. A few decades ago it was the custom of parties, not only to accept large sums of money from special interests, but actually to demand substantial contributions from railroad and other

corporations on pain of unfriendly legislation when the party got into power. In our cities gambling houses and other vicious interests habitually contributed to the campaign fund of the party, with the understanding that the party so supported would, if successful at the polls, protect these unlawful businesses. Large amounts were also secured from officeholders who feared to incur the ill will of the party by refusing to contribute to the campaign fund. The enormous sums got together from these various sources were used to finance election contests, the peak being reached when in the presidential election of 1896 the Republican party is said to have spent more than $7,000,000. The source of most of this sum was unknown to the general public.

Fortunately, recent legislation has remedied a considerable measure of the evils attending unrestricted contributions to the campaign fund. Laws now prohibit party agents from seeking contributions from the holders of Federal civil service offices. In 1910 and 1911 Congress passed Acts providing that a candidate for Representative to Congress may not expend more than $5000 toward his election, while a United States Senator may not spend more than $10,000 for a similar purpose. Other laws specify the purposes for which campaign money may be spent. In presidential and congressional elections the treasurer of the national committee of each party must now report the entire campaign fund contributed and expended, giving the

name of every individual contributing over $1000, and also furnishing an itemized statement of all expenditures over $10. This report is filed with the clerk of the House of Representatives, and is open to the public.

There can be no doubt but that these and similar laws have operated to deprive the campaign fund of many of its illegitimate features. Most of the money now expended by parties is secured from a large number of small contributions. This not only lessens the control of party policies by special interests, but it also serves to make the party more responsible to the rank and file of the organization.

427. PARTY DOMINATION OF NOMINATIONS AND ELECTIONS.—A great problem of party government is to prevent parties from unduly influencing the choice of public officials. Leaving until later the general question of nominations and elections, it may be pointed out here that very often the whole weight of party power is directed toward securing the election to office of candidates deemed desirable by the party machine. The political "boss" has consistently used his power to manipulate the caucus or the primary so as to advance his own interests at public expense. Caucuses have been held without proper notice being given, and party henchmen have been employed to work for an inside clique or ring. Formerly the rolls of party members were padded with the names of men dead or absent. Too often elections were characterized by the

stuffing of ballot boxes, the intimidation or bribery of voters, and the practice of voting more than once. The effect of these and similar practices has been to thwart the will of the majority of party members, and to elevate self-interest above the general welfare.

The last few decades of American political history have been characterized by a number of laws designed to safeguard the process of nomination and election. In practically every state in the Union there are corrupt practices acts which aim not only to prevent the misuse of the campaign fund, but to control the party in other respects also. In all but two states registration is a prerequisite to voting. The introduction into this country of the Australian ballot, and its rapid spread among the states after 1890, has made the ballot secret. By preventing the intimidation of the voter, and by otherwise safeguarding his rights at the polls, ballot reform has remedied many abuses which formerly resulted in illegal and unrepresentative elections. Bribery and illegal voting are no longer glaring evils. It is now the general practice for state laws to provide definite polling places, and to guard the receiving and counting of the ballots.

428. THE SPOILS SYSTEM.—During the first forty years of our national life it was taken for granted that subordinate executive officials should continue in office during good behavior, regardless of a change of administration. After President Jackson's first term, however, it became the general practice

for the incoming party to use offices to reward party supporters. Senator Marcy's original declaration that "to the victor belongs the spoils," was accepted by both Democratic and Republican parties. Each party, upon coming into power, habitually turned out appointive officials placed in office by the opposition party. The positions thus made vacant were filled by individuals from the ranks of the victorious party.

The spoils system is a serious evil for which party spirit must be held accountable. By virtue of their patronage, party leaders have exercised an undue influence over the rank and file of the party. Frequently a candidate has been named for office, not because he possessed marked capacity for public service, but because he showed promise of being a good vote-getter at election time. Very frequently, therefore, officeholders have secured their positions as the reward of party support, rather than because of merit. The spoils system has encouraged the holders of executive offices to pay more attention to the political fortunes of their party than to their public duties. Knowing that with a change of administration they would probably be ousted to make room for the supporters of the rival party, officials have been tempted to use public office for personal ends.

The spoils system still constitutes a defect in American government. Nevertheless something has been done toward eliminating its worst features. The Civil Service Act of 1883 provided that more than

12,000 Federal executive offices should be filled by competitive examinations rather than by political appointment. The Federal Civil Service System has been subsequently extended until at the present time about two thirds of the administrative offices in the Federal government are filled on the merit plan. In many sections of the country the merit plan has also been used to fill state and municipal offices. Though as yet limited in scope, it would appear that the future will see a steady expansion of the merit plan in local and state as well as in the National government.

The essential feature of this system, whether in local, state or National government, is that officeholders secure their positions on the basis of individual merit. In theory at least, they are little affected by changes of administration. Both retention of office and promotion are on the basis of merit, though the standards by which appointees are judged have not yet been perfected.

429. EXTENSION OF FAVORS TO SPECIAL INTERESTS.—The tendency of the political party to extend special favors to private corporations has constituted a serious evil in American politics. In some instances powerful corporations have corrupted party politics; in other cases party organizations have blackmailed corporations under the threat of unfriendly legislation; in many other cases both party and corporations have been to blame. In every case, however, the essential fact is that often the party has

been used for the advancement of special interests rather than to promote the general welfare. Unfavorable legislation has been bought off and favorable laws secured by trusts, public service corporations, and other large industrial interests. Exemption from prosecution has been purchased by gambling houses and other illegal businesses. Public service corporations have secured valuable franchises for inadequate consideration. Contracts for paving and other public works have many times been awarded, not to firms offering the best work at the lowest price, but to incompetent or dishonest corporations. Such contracts have been secured by these corporations because of favoritism shown them by political henchmen holding office under the spoils system.

Notable headway has been made in checking these evils. The regulation of the railroads by the Interstate Commerce Commission renders it difficult for railroad corporations unduly to influence party policies. Anti-trust legislation has similarly checked the political activities of other great industrial combinations. There is a growing tendency for states to pass laws forbidding or restricting the maintenance of lobbies in legislative halls. Many recent state constitutions narrowly restrict the franchise-granting power. Corrupt practices acts forbid party contributions from corporations. The Civil Service System renders less easy the unfair award of government contracts to private

corporations.

430. DECLINE OF PARTY ABUSES.—It is clear that the development of party government in this country has been attended by important benefits and serious evils. But the best authorities agree that the merits of the party system outweigh its defects. Hence our problem is not how to destroy the system, but how to regulate it so that we may secure the benefit of its services and avoid the evil results of its defects. The experience of the last half century is heartening, and it must be admitted, not only that party abuses have declined, but that there is good reason to believe that they will continue to decline. In our attitude toward the political party we must distinguish, as Burke distinguished, between the legitimate form of the party and its perverted form. The perverted forms of party organization call for censure and attack; the legitimate features of the party deserve our appreciation and support.

431. DUTY OF PARTY SUPPORT.—Parties seem to be inevitable, for no one has yet shown how representative government can be carried on without them. Since the average voter cannot make his influence felt except through organization and mass action, it is, as a rule, as futile for the individual to cast his vote regardless of party affiliations as it is for a soldier to fight without regard for army discipline and organization. Parties are the result of compromises, and the individual must be willing to shelve minor issues for the sake of uniting with his

fellows upon vital issues. Ordinarily, the individual will best perform his civic duties by affiliating himself with some political party.

But we are coming to believe that the necessity of party support in National and state elections does not imply that party support is necessary in local elections. In National politics each party generally has a definite policy with regard to taxation, the tariff, armaments, and other debatable issues. Support of the party for the realization of its program on these matters may be justifiable; on the other hand, loyalty to party in local politics may be an evil. There is no Democratic way of cleaning a street, and no Republican method of fighting a fire. Thus the same citizen who may be under a moral obligation to support some party in National and state politics, may be under a similar obligation to make his choice of local candidates independent of party. A desirable development, in this regard, is the recent tendency for some municipal elections to be decided regardless of the party affiliations of the candidates.

432. INTEGRITY IS ABOVE PARTY.—Young people are commonly advised to affiliate themselves with that political party which seems most adequately to express their political ideals. But though this is a method of conserving political energy, no citizen ought to support a party which has ceased to represent him on matters which he considers of vital importance. When the party

machine sets itself up as an end rather than a means, and when it emphasizes gain to a few rather than benefits to the party as a whole, then it is time for honest men to abandon their party. Integrity is above party. The slogan, "My party right or wrong" is not only stupid but treasonable. Let the citizen be eager to co÷perate with his fellows for the advancement of common political views, but let the corrupt party be abandoned.

433. RESPONSIBILITY OF THE INDIVIDUAL FOR PARTY ABUSES.—Nothing could be more mistaken than the belief that defective government is due primarily to the existence of an entity known as the political party. The party is merely an association of individuals, and if it is corrupt it is so because of the corruption of the individuals comprising it. It is time that political pessimists stopped blaming the party for the defects of party government, and time they began to see that the indifference and shortsightedness of the individual voter is at the bottom of the trouble. One of the greatest sources of corruption in American life is the knowledge of political bosses that many of their adherents will follow the party standard regardless of its platform and no matter what the character of its candidates. The party boss is given an opening when individuals neglect to perform their civic duties. The failure to vote, or to serve in office when the opportunity offers, the failure either to protest against candidates chosen unfairly, or to demand an accounting of

officeholders, spell corruption and inefficiency in government.

QUESTIONS ON THE TEXT

1. Define a political party. Why have parties arisen?

2. Trace briefly the development of parties in the United States.

3. Outline the organization of a political party.

4. Explain clearly the three great benefits of party organization.

5. What is the basic defect of party government?

6. What can be said as to contributions to the campaign fund of political parties?

7. Name some methods whereby the party boss may dominate nominations and elections. Outline some laws designed to safeguard nominations and elections.

8. What is the spoils system and when did it arise?

9. What effect has the merit plan had upon the spoils system?

10. Are party abuses declining or increasing?

11. Distinguish between the duty of party support in National and perhaps State elections, and the duty

of such support in local elections.

12. Under what circumstances should an individual abandon his party?

13. To what extent is the individual responsible for party abuses?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxxiv.

Or all of the following:

2. Bryce, *Modern Democracies*, vol. i, chapter ii; vol. ii, chapter xl.

3. Guitteau, *Government and Politics in the United States*, chapter xxxvi.

4. Munro, *The Government of the United States*, chapters xxii and xxiii.

5. Woodburn, *Political Parties and Party Problems*, chapter xv.

QUESTIONS ON THE REQUIRED READINGS

1. What was Washington's opinion of the political party? (Munro, page 313.)

2. Who were the Federalists? (Guitteau, pages

455-456.)

3. Discuss the principles of the Democratic-Republican party. (Guitteau, pages 456-457.)

4. What was the origin of the National-Republican party? (Guitteau, pages 457-458.)

5. What was the origin of the Democratic party? (Guitteau, page 457.)

6. What part have third parties played in our history? (Guitteau, pages 459-460.)

7. What three sets of men exist in every party? (Bryce, vol. i, pages 126-127.)

8. What are the three contributions of the United States to political science? (Bryce, vol. ii, page 27.)

9. What are the two aims of party organization? (Bryce, vol. ii, page 32.)

10. What is the relation of the party to national unity? (Bryce, vol. ii, pages 43-44-)

11. In what way does the party stabilize popular government? (Bryce, vol. ii, pages 44-45.)

12. What is the relation of constancy and faithfulness to the safety of the Republic? (Woodburn, page 338.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Which party occupies the dominant position in the political life of your community? Find out why it holds this position.

2. The history of third parties in your section, *i.e.*, parties other than the Democratic and Republican parties.

3. The organization of any political party having official representatives in your community.

4. The work of local political committees in your community immediately preceding election.

5. Corrupt practices acts in your state.

6. The Civil Service System in your state.

7. Make a study of the different political parties with a view to determining which you would prefer to join.

II

8. Origin and growth of parties in the United States. (Beard, *American Government and Politics*, pages 103-108; Guitteau, *Government and Politics in the United States*, chapter xxxvi; Bryce, *The American Commonwealth*, vol. ii, chapters liii and liv; Ford, *The Rise and Growth of American Politics*, chapter vii.)

9. Characteristics of the political party. (Ray, *Introduction to Political Parties and Practical Politics*, chapter i.)

10. Distrust of parties in our early history. (Jones, *Readings on Parties and Elections in the United States*, pages 28 36.)

11. The spoils system. (Bryce, *The American Commonwealth*, vol. ii, chapters lxv and lxvii; Ray, *Introduction to Political Parties and Practical Politics*, chapter xiv.)

12. "Why the best men do not go into politics." (Bryce, *The American Commonwealth*, vol. ii, chapter lviii.)

13. Campaign contributions. (Brooks, *Corruption in American Politics and Life*.)

14. The party ring. (Bryce, *The American Commonwealth*, vol. ii, chapters lxiii and lxiv.)

15. The state boss. (Reinsch, *Readings on American State Government*, pages 432-434; Ray, *Introduction to Political Parties and Practical Politics*, chapter xvi.)

16. How the party machine works. (Ford, *The Rise and Growth of*
American Politics, pages 294-333; Kaye, *Readings in Civil*
Governments, pages 373-377; Jones, *Readings on Parties and*

Elections in the United States, pages 175-178; Lowell, *Public*
Opinion and Popular Government, chapter vi.)

17. Party government in England and in the United States. (Jones, *Readings on Parties and Elections in the United States*, pages I-II.)

18. Necessity of strong parties in the United States. (Jones, *Readings on Parties and Elections in the United States*, pages 20- 27.)

19. The struggle for good government. (Hammond and Jenks, *Great American Issues*, chapter v.)

20. The citizen and the party. (Bryce, *Hindrances to Good*
Citizenship, all; _Hughes, *Conditions of Progress in Democratic*
Government, lectures in and iv; Root, *Addressee on Government and*
Citizenship, pages 1-77.)

FOR CLASSROOM DISCUSSION

21. Do third parties serve a useful purpose?

22. Should we pass laws limiting the total amount which any political candidate may spend in the campaign for nomination and election?

23. What are the advantages and disadvantages of

placing party emblems at the head of ballots?

24. To what extent will civic education remedy the evils of the spoils system?

25. How will you determine which party you prefer to affiliate with, when you become of age?

26. How would you determine whether or not an individual ought to abandon his party? Suppose that an individual has severed connections with a party which he had reason to suppose was corrupt. Under what circumstances should he return to the ranks of that party?

CHAPTER XXXV

CHOOSING THE AGENTS OF GOVERNMENT

434. THE PROBLEM.—In an important sense, good government is a matter of getting the right men into office, hence one of the most vital problems in American democracy has to do with the choice of public officials. In any representative democracy nominations and elections must be a difficult and complex matter; in the United States the problem is rendered doubly difficult by the great size of the country, and by the rapidity with which its population is increasing. In this country hundreds of thousands of public officials are placed in office annually, all of them either elected at the polls, or chosen by agents who are themselves elected.

The problem before us involves four questions: First, how can we perfect the mechanism by means of which the officers of government are selected? Second, how can we elect officials who represent a *majority*, rather than a *plurality* [Footnote: See Section 444.], of those actually voting? Third, how

can voters be helped to make intelligent choices at the polls? Fourth, how can we encourage qualified voters to make an habitual use of the ballot?

435. NOMINATION BY CAUCUS.—One of the earliest methods of choosing party candidates in this country was by means of the caucus. The caucus was an informal meeting in which the local members of a political party nominated candidates for town and county offices. Candidates for state offices were named by a legislative caucus, in which legislators belonging to the same party came together and determined their respective nominations. The legislative caucus spread to all of the states, and in 1800 was transferred to Congress as a mode of nominating the President and Vice-President.

After 1825 the caucus declined in importance. In the lawmaking bodies of both nation and states there continues to be a legislative caucus, but its influence upon the choice of public officials has greatly diminished. Outside of the state and National legislatures the caucus is now found only in towns, wards, and other small areas. In these areas it is used for the purpose of nominating candidates for local offices, and for the purpose of electing delegates to nominating conventions. Except in some parts of New England, it should be noted, this local caucus is now generally known as the primary.

436. RISE OF THE NOMINATING CONVENTION.—After 1825 the caucus was largely superseded by

the convention. The convention is a relatively large meeting of party delegates chosen for the express purpose of deciding upon party policies and candidates. The convention device was developed, partly because party bosses had come to dominate the caucus, and partly because the increasing population of the country necessitated larger congregations of party members. The convention was made possible by improved means of transportation, which allowed relatively large groups of individuals to come together for deliberative purposes. By 1850 all of the political parties had adopted the convention plan for the nomination of candidates for most local, state, and National offices.

437. DECLINE OF THE CONVENTION.—The convention was an improvement upon the caucus in that it allowed a greater number of party members to participate in nominations. Unfortunately, delegates to the convention continued to be chosen in local caucuses, where the party "ring" or machine usually determined the choice of delegates. Bosses prepared "slates," bribed delegates, and otherwise manipulated what was supposed to be an expression of the party will in convention. In many cases the convention became-merely a cut-and-dried affair in which party members ratified nominations previously agreed upon by party leaders.

In the latter part of the nineteenth century, and especially after 1900, these defects stimulated the development of measures designed to reduce or

eliminate the abuses of the convention system. The most important of these reform measures is the Direct Primary.

438. NATURE OF THE DIRECT PRIMARY.—The terms caucus, primary, and direct primary are easily confused. We have seen that the local caucus is now generally known as the primary. The essential difference between this caucus or primary and the Direct Primary is this: in the Direct Primary, party members vote directly for the party's candidates at the forthcoming election; in the caucus or primary, on the other hand, party members do not vote directly for the more important of these candidates, but instead vote for delegates to a convention. Later these delegates meet in convention and there vote directly for party candidates. Thus the Direct Primary is really an election within the party, held for the purpose of allowing party members to choose the candidates who will represent the party at the approaching regular election. When adopted, the Direct Primary abolishes the convention by allowing party members to cast their ballots directly for their party's candidates. Those individuals are nominated who receive a plurality of all votes cast.

In most states the Direct Primary has recently been placed under detailed legal control. Such laws generally prescribe the time and place of holding the Direct Primary, the qualifications of those who may participate, and the organization and general management of this party election. There is provision

for polling places, official ballots, and election of officials, just as there is provision for similar machinery in the regular election which follows the Direct Primary.

439. EXTENT OF THE DIRECT PRIMARY.—Heralded as a cure for the defects of the convention, the Direct Primary spread rapidly after 1900. By 1919 every state in the Union had adopted it in some form, and about forty states were applying the state-wide primary. At first the Direct Primary was used only to nominate candidates for local offices, but at the present time state officers, and even Federal Senators and Representatives, are often nominated by this method. In more than a third of the states the voters at the Direct Primary are allowed to express their preference directly for one of the candidates for the presidential nomination. Altogether, the Direct Primary has largely supplanted the convention in about three fourths of the states.

440. ADVANTAGES CLAIMED FOR THE DIRECT PRIMARY.—A number of important advantages are claimed for the Direct Primary. It is said that the device reduces the power of the party boss, and insures democratic control within the party. Party members are more interested in the Direct Primary than in the local caucus or primary because in the Direct Primary they actually aid in the direct selection of party candidates. The local caucus or primary, on the other hand, does not directly select the more important party candidates, but can only

choose delegates to a nominating convention. Because the Direct Primary increases the control of the individual over party policies, it encourages active political work on the part of the rank and file. It is maintained that the Direct Primary brings out a larger vote than would otherwise be possible. Better candidates are secured by means of the Direct Primary, it is claimed, because the nomination of individuals depends upon the presentation of their claims to the voters, rather than upon winning the favor of party bosses.

441. OBJECTIONS URGED AGAINST THE DIRECT PRIMARY.—The opponents of the plan claim that the Direct Primary has serious faults. It is said that in supplanting the convention the Direct Primary has made more difficult the exchange of views and opinions among party members. It is declared that the Direct Primary has disorganized the party and has therefore broken down party responsibility. It is claimed that the Direct Primary has not eliminated the boss, for rather than voting directly for candidates of their own choice, electors must make a selection from a list of candidates previously arranged by party leaders. All of these candidates may be objectionable to the voter. It is also pointed out that many worthy candidates have not the money to defray the expense of competing in the Direct Primaries. Frequently the "ring" brings out a number of candidates to divide the voters, while the henchmen of the ring concentrate their votes upon

one man. Lastly, it is pointed out, the excessive number of candidates to be selected renders it impossible for the average individual to make an intelligent selection. In such a case, the average individual attends the Direct Primary only to confirm the choice of party leaders.

442. OUTLOOK FOR THE DIRECT PRIMARY.—Although there is much to be said for and against the Direct Primary, the belief is gaining ground that this device does not offer the final solution of the difficulty which led to its establishment. After an exhaustive study of the subject, Professor Munro concludes as follows: "In a word, the primary seems to afford protection against the worst fault of the convention, which was the frequent selection of incapable and corrupt candidates at the behest of a few political leaders. But it has not, in twenty years or more of experience, demonstrated that it can achieve positive results of a measurably satisfactory character. It has not rid the state of boss domination; it has increased the expense which every candidate must incur, and it gives a marked advantage to the man whose name is well known to the voters, whether he be a professional politician or not. To say that the primary secures on the average somewhat better results than the old convention may be stating the truth, but it is not high praise."

443. NOMINATION BY PETITION.—The system of nomination by petition came into use between 1880 and 1890. It provides that candidates may be placed

in nomination by filing with some specified officer nomination papers, or petitions, signed by a specified number of qualified voters. The filing of these papers entitles the candidates named thereon to have their names printed upon the official ballot. The merit of this device is that it prevents the party machine from dictating the choice of candidates, and that it enables independent candidates to be brought forward. On the other hand, it has encouraged the circulation of petitions for hire.

On the whole this method of nomination is proving more and more popular in local elections. It seems well adapted to the needs of municipalities, for it reduces partisanship to a minimum. It is said that in some cases it practically eliminates national politics from local elections. The supporters of nomination by petition are increasing, and it is now proposed to apply it to all local and state nominations. In such an event the Direct Primary would be radically modified, or even abolished.

444. MAJORITY REPRESENTATION.—How can we make certain that an individual nominated or elected represents a majority of those voting? When there are only two candidates, the one receiving the largest number of votes receives both a plurality and a majority. But when there are several candidates, it often happens that the individual receiving the largest number of votes does not receive a majority. Suppose, for example, that 100,000 votes are cast, and that A receives 20,000, B 25,000 C 30,000 and D

25,000. Ordinarily C will be declared successful because he has received a *plurality* of the votes cast. But he has not received a *majority* of the votes cast. This custom of declaring successful the candidate receiving a plurality constitutes a defect in our representative system, since a plurality candidate may represent only a small minority of those actually voting.

Several attempts have been made to remedy this defect. In some southern states it is the practice to require an absolute majority for election. If no aspirant receives a majority, a second ballot is taken on the two candidates standing highest on the list. In a number of northern cities, the evil of plurality voting has been attacked through the *preferential voting* device. This system of voting allows the voter to designate not only his first, but his second and third choices as well. If any candidate receives a clear majority of first choice votes, he is declared elected. But if no one receives such a majority, the second choices are added to the first choices. If this further calculation does not give any candidate a majority, third choices are resorted to. In cities where the plan has been tried, preferential voting is said to have proved markedly successful.

445. MINORITY REPRESENTATION.—Related to the question of making sure that successful candidates represent a majority of those voting is the problem of the adequate representation of the minority. The most notorious phase of this problem

has grown out of our custom of electing one national Representative from each of the congressional districts into which every state is divided. Often gerrymandering [Footnote: The origin and nature of "gerrymandering" are discussed in Chapter XLII, Sections 542 and 543.] is resorted to, that is to say, congressional districts are so arranged as to give the minority party overwhelming majorities in a few districts, while the dominant party is allowed to carry the remaining districts by very small majorities. The result is gross misrepresentation in Congress, because the party having a bare majority often secures a large percentage of the representatives, while the minority is very inadequately represented.

Such misrepresentation also appears in connection with the choice of representatives to the state legislatures.

In the attempt to remedy this type of misrepresentation various plans of *proportional representation* have been put forth. In Illinois members of the lower house of the state legislature have long been chosen as follows: Each state senatorial district is given the right to elect three assemblymen. Every elector in the district has the right to cast three votes, one each for three different persons, or two votes for one candidate and one for another, or all for one candidate. By concentrating its votes upon one candidate, an average minority can be sure of at least one representative in each district.

A plan employed in several other states likewise aims to give each political party representation proportional to the number of votes cast by the party, regardless of whether the number is a minority or a majority. The principle of proportional representation, if fully worked out, and if made simple enough to be comprehended by the average voter, would insure majority rule and at the same time allow the adequate representation of minorities.

446. OBSTACLES TO INTELLIGENTY VOTING.—Several obstacles to intelligent voting in this country are intimately connected with the long ballot. [Footnote: The term "long ballot" refers to the fact that so many officials are elective that the ballot on which their names appear is often of great length. The term "short ballot" refers to a reduction of the length of this ballot by making fewer officers elective.] The wave of democracy which swept the country in the last century had the double effect of increasing the number of elective offices, and of shortening the terms during which officials were allowed to hold office. A greatly lengthened ballot, together with the great frequency of elections, has made it impossible for the average voter to exercise proper judgment at the polls. The difficulty of investigating the merits of the numerous candidates, or even of becoming familiar with their names, has discouraged many from voting. Of those who still pretend to reach independent decisions regarding candidates and issues, a considerable number really

rely upon the direction and advice of professional politicians. The long ballot is the enemy of democracy, since it allows politicians, rather than the masses, to control actual government.

447. SHORTENING THE BALLOT.—The chief remedy for these evils is the short ballot. The essential features of the short ballot plan are as follows: Popular elections should be resorted to only for the purpose of choosing those officials who have to do with public policies. For example, state voters ought to select only the governor, lieutenant governor, and members of the legislature; city voters ought to choose only the mayor and council; [Footnote: Where this form of municipal government is still employed.] while county voters ought to confine their attention to a small group of county commissioners or supervisors. All other officials ought to be appointed, either directly by chief executive officers, or by means of the merit plan. Along with the shortening of the ballot, we should be increasingly willing to allow officials to hold office for longer terms. A supplementary feature of great value would be the establishment of such means of popular control as would protect the public against abuse of power by officials to whom these longer terms had been extended.

448. MERITS OF THE SHORT BALLOT.—There can be little doubt that a drastic shortening of the ballot would work a great improvement in our electoral system. If the vast majority of officials were made

appointive, the voter could give more time and thought to the consideration of a few important elective officials. A short ballot would lessen the possibilities of manipulation by rings and bosses. Unquestionably the interest of the voter would be quickened, since his influence upon the political life of his community would be more apparent. And not only would the short ballot make government more representative, but it would help to make it more responsible.

If the majority of the administrative officials who are now elected were made appointive, responsibility for their conduct in office could be concentrated upon the chief executive officer appointing them.

449. THE NEGLECT TO VOTE.—The last of the vital questions arising in connection with the choice of public officials is the matter of encouraging the enfranchised classes to use the ballot. The long ballot and the domination of party politics by rings and bosses discourage many from voting, nevertheless it is probably true that the slackness of the individual is the chief reason why voters neglect to use the ballot. This slackness may take the form of personal indolence, or of indifference to civic duty, or of preoccupation with the press of personal business. When individuals are busy with their private affairs the time needed for intelligent political action is often begrudged. Again, the duty to vote is not always a compelling one. When a duty is shared with innumerable other people, it appears less of a

personal duty; when the individual notes that his fellow- citizens neglect that duty, his own tendency toward slackness is encouraged. In a democracy, as Lord Bryce points out, "everybody's business becomes nobody's business."

450. IMPORTANCE OF CIVIC EDUCATION.—The perfecting of our nominating and elective machinery, together with the shortening of the ballot, is doing a good deal to awaken interest in the proper use of the vote. But the problems of democracy cannot be solved by purely mechanical means. If our voters are to regard the use of the ballot as a civic duty, we must rely largely upon civic education. Young people, soon to be voters, must be impressed with the responsibilities of democracy. They must be taught the vital importance of using the vote. In Belgium and Spain it is customary to penalize individuals for neglecting to vote, but the idea of compulsory voting is repugnant to the American spirit. Moreover, law alone can neither build up nor sustain individual morality. The remedy for indifference to the ballot would seem to be not law, but the education of voters to their moral obligation toward the government under which they live.

QUESTIONS ON THE TEXT

1. What four questions arise in connection with the choice of public officials?

2. Describe nomination by caucus. To what extent is this method still used?

3. Why did the nominating convention arise?

4. What forces were responsible for the decline of the convention?

5. What is the nature and purpose of the Direct Primary?

6. To what extent is the Direct Primary used in this country?

7. What are the chief advantages of this device?

8. What defects are urged against the Direct Primary?

9. What does Professor Munro conclude as to the value of the Direct Primary?

10. What is nomination by petition?

11. What is the problem of majority representation?

12. Discuss the nature and purpose of the preferential voting device.

13. What is the purpose of gerrymandering?

14. What is the nature and purpose of proportional representation?

15. What is the relation of civic education to the proper use of the ballot?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy,* chapter xxxv.

Or all of the following:

2. Bryce, *The American Commonwealth* vol. ii, chapter lxvi.

3. Guitteau, *Government and Politics in the United States,* chapter xxxvii.

4. Ray, *Introduction to Political Parties and Practical Politics,* chapter iv.

5. Reed, *Form and Functions of American Government,* chapter vii.

QUESTIONS ON THE REQUIRED READINGS

1. Is the number of elective officers in the United States greater or less than in Europe? (Bryce, page 146.)

2. How is the caucus used at the present time? (Ray, page 75.)

3. What is a "self-announced" candidate? (Ray, page 75.)

4. Describe the workings of the "nomination by petition" device. (Ray, page 76.)

5. What evils attend the unregulated caucus or primary? (Ray, pages 80-83.)

6. Describe the work of the state nominating convention. (Guitteau, pages 467-468.)

7. Outline the procedure in the national convention. (Guitteau, pages 471-472.)

8. What are the two chief types of Australian ballot? (Reed, pages 82- 84.)

9. What is the chief weakness of the Direct Primary? (Reed, page 87.)

10. Name some states in which the presidential preference primary is used. (Reed, page 87.)

11. How is a typical presidential preference primary conducted? (Reed, page 87.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Use of the caucus or primary in your community.

2. The nominating convention in your state.

3. The Direct Primary in your state or community.

4. Legal control of the Direct Primary in your state.

5. The extent to which nomination by petition is employed in your state.

6. The representation of minorities in your state legislature.

7. Recent ballot reform in your state.

II

8. The framework of the convention. (Ford, *Rise and Growth of*
American Politics, chapter xvi; Ray, *Introduction to Political*
Parties and Practical Politics, chapter v; Woodburn, *Political*
Parties and Party Problems in the United States, chapters xi-xiii.)

9. The nominating convention at work. (Bryce, *The American Commonwealth*, vol. ii, chapter lxx; Ray, *Introduction to Political Parties and Practical Politics*, chapter viii.)

10. Structure of the Direct Primary. (Ray, *Introduction to Political Parties and Practical Politics*, chapter vi.)

11. How the Direct Primary works. (Cleveland, *Organised Democracy,* chapter xvii; Woodburn,

Political Parties and Party Problems in the United States, chapter xxi.)

12. Effect of the Direct Primary upon party organization. (Holcombe, *State Government in the United States,* pages 193-204.)

13. Direct nominations. (Reinsch, *Readings on American State Governments,* pages 383-394)

14. Tyranny of the majority. (Bryce, *The American Commonwealth,* vol. ii, chapter lxxxiv.)

15. Safeguarding the rights of the minority. (Gettell, *Readings in Political Science,* pages 322-325.)

16. The nature of proportional representation. (Jones, *Readings on Parties and Elections in the United States,* pages 164-168; Commons, *Proportional Representation.*)

17. Objections to the principle of proportional representation. (Gettell, *Readings in Political Science,* pages 324-325.)

18. Preferential voting. (*Massachusetts Constitutional Convention Bulletins,* 1917.)

19. The gerrymander. (Woodburn, *Political Parties and Party Problems in the United States,* chapter xx.)

20. The short ballot. (Childs, *Short Ballot Principles;* Massachusetts Constitutional Convention Bulletins, 1917.)

21. What proportion of qualified voters actually use the ballot? (Hart, *Practical Essays on American Government,* No. 2.)

FOR CLASSROOM DISCUSSION

22. The desirability of extending the Direct Primary in your state.

23. The closed versus the open primary.

24. Advantages and disadvantages of nomination by petition.

25. Advantages and disadvantages of holding local, state and National elections at different times.

CHAPTER XXXVI

HONESTY AND EFFICIENCY IN OFFICE

451. MAGNITUDE OF THE PROBLEM.—How can we insure the honest and efficient administration of American government? Civic education and the perfection of nomination and election devices will do much toward securing this end, but there remains a

troublesome question. This has to do with reorganizing our legislative and administrative machinery, so that public officials may be allowed or encouraged to perform their duties in a responsible and effective manner.

The problem is a vast one, the adequate treatment of which would require volumes. In this chapter, therefore, it will be necessary to confine the discussion to a few of the more pressing aspects of the problem. Of these the following are perhaps the more important: First, the defects in legislative procedure; second, the reorganization of state administration; third, budget reform; and fourth, the reform of municipal government.

A. DEFECTS IN LEGISLATIVE PROCEDURE

452. AMERICAN LEGISLATURES ARE OVERWORKED.—It has frequently been pointed out that in the United States both state and National legislatures are overwhelmed with work. One reason for this is that the extension of government control over industrial corporations has rendered legislation more complex and greater in volume. The development of public interest in health, education, and related fields has 'of recent years markedly increased the amount of legislation. The custom which many legislators have of attempting to get as much special legislation for their respective districts as possible has likewise increased the number of laws

upon the statute books. Lastly, it should be borne in mind that throughout our history we have tended to believe legislation a cure-all for the defects of American life. This attitude has led to an excessive number of laws on subjects which in European countries are ordinarily left to the discretion of administrative officials.

The combined effect of these developments has been to confront our legislatures with so much business that honest and efficient legislation has been rendered exceedingly difficult.

453 THE COMMITTEE SYSTEM.—The chief defects of American legislation appear in connection with the committee system which exists in both National and state legislatures. The committee system is the practice of dividing the legislative body into a large number of small groups or committees whose duty it is to consider various types of legislative business. The great merit of this device is that it expedites business. Indeed, the membership of our legislatures has become so large, and the amount of legislative business has increased so rapidly, that it is difficult to see how the committee system could be dispensed with. Without some such division of labor, chaos and endless delay would result. [Footnote: For the part played by the committee system in the actual making of a law, see Chapter XLIIL]

At the same time, the committee system has

numerous faults. As Lord Bryce has pointed out, it destroys the unity of the legislature by breaking it up into a number of small groups among which there is no appreciable degree of co÷rdination. The committee system limits debate. Since most committee business is transacted in secret session, the public is deprived of light upon public affairs. So minutely does the committee system divide legislative labor that even the most important piece of legislation cannot secure the attention of the best men. There is a diffusion of responsibility when various committees work upon related problems without regard for the work being done by one another. Finally, the committee system throws power, unaccompanied by adequate responsibility, into the hands of the committee chairman.

454 LOG-ROLLING. Log-rolling is the trading of votes among individual legislators. Many of the faults of our state and National legislatures are connected with this practice. Some legislators are so intent upon securing the passage of bills in which they are personally interested that they are willing to vote for a fellow-legislator's pet bills, regardless of merit, provided that legislator will return the favor. In this way special legislation often displaces bills which are drawn in a wider interest,—taxation, education, and other vital matters being neglected so that members may pursue personal ends.

There is as yet no limit to the number of bills which may be introduced by state or National

legislators. As a result there is a large number of unnecessary and hastily framed bills for which no one is definitely responsible. It is supposed to be the duty of all legislators to weed out bills which are poorly framed, or which are designed to promote special interests. But in this case everybody's business becomes nobody's business. Such machine-like formalities as repeated readings of a bill, and a series of committee reports upon it, are generally substituted for individual scrutiny of a measure.

455. LEGISLATIVE REFORM.—The reform of legislative procedure is attracting an increasing amount of attention among students of American politics. Many recent state constitutions define in detail the powers and procedure of the state legislature. A considerable number of states now have legislative reference bureaus, which enable legislators to keep track of legislation in other states, as well as to have ready access to important data bearing upon their own problems. There is a growing tendency for state legislatures to employ expert bill drafters to draw up laws on technical and highly-complex subjects. The expert bill drafter and the legislative bureau help materially to reduce the amount of defective and unwise legislation on the statute books.

Much remains to be done, however. Important public bills ought invariably to be given first consideration by legislators, instead of, as is still many times the case, being put off until the end of

the session in order to allow time for log-rolling. Filibustering and other time-wasting tactics should be curbed, because they tend to obstruct legislation. Many students of government advocate the extension of a plan already adopted in Massachusetts and a few other states, whereby all bills are given a public hearing. It is also clear that some method ought to be devised whereby the work of the various committees dealing with related subjects could be correlated and harmonized. Lastly, any measures which will reduce the amount of unnecessary and ill-advised legislation must prove of great value.

B. THE REORGANIZATION OF STATE ADMINISTRATION

456. DEFECTS IN STATE ADMINISTRATION.—Originally the state administration consisted of the Governor and a few elective officers, notably a Secretary of State, a Treasurer, and an Attorney-General. With the rapid development of the country, education, health, dependency, corporations, and similar matters have required more and more attention from state governments. To perform a host of new functions the state administration has expanded to include numerous commissioners, boards, and departments, some of them elected by the people, and some of them appointed by the Governor.

This development has been haphazard, rather than

orderly and planned. As a result, the administrative department is in most states a confused and tangled mass of boards and commissions, departments and single offices, often duplicating the work of one another, and largely working without any appreciable degree of co÷rdination. In most states numerous administrative officers are elective, rather than appointive. This situation has two drawbacks: In the first place elective officials are responsible to no one but the people at large, and therefore these officials cannot be *efficiently directed or supervised* by the Governor. In the second place, no definite person or persons can be held *responsible* for the conduct of this numerous body of elective administrative officials.

457. THE REFORM OF STATE ADMINISTRATION. —The reorganization and consolidation of state administrative offices is attracting an increasing amount of attention. In New Jersey, Massachusetts, Illinois, and several other states, administration has been notably simplified and systematized. The Illinois Administrative Code of 1917, for example, consolidated the work of more than a hundred administrative offices into nine main departments. Each department is in charge of a director, appointed by the Governor, and each department is responsible to the Governor. Co÷rdination of this type economizes time and energy, and saves the state's money by reducing the number of salaried officials. The centralization of the entire administration under

the Governor not only allows efficient supervision, but permits the people to hold this official strictly accountable for the administration.

The need of reform in state administration is recognized throughout the Union, but in most states the reorganization of administrative offices is retarded in two ways: First, the movement is opposed by officeholders who fear that their positions will be abolished by a consolidation of departments; second, in many states the consolidation of administrative offices is impossible without substantial amendments to the state constitution.

C. BUDGET REFORM

458. THE QUESTION OF A BUDGET.—In contrast to the leading countries of Europe, our National government until very recently had no budget system. Some of the estimates were prepared by the administrative departments, under the direction of the President, while other estimates were prepared by various committees in the House of Representatives. In Congress there was little or no co÷rdination between the various committees considering different appropriations. Nor were these committees properly co÷rdinated with the administrative departments which were responsible for the original estimates.

After appropriations had been granted, Congress had no scrutiny over the actual expenditure of the money. Thus the administrative departments might waste their appropriations, and then secure the passage of deficiency bills to make up the shortage. At no time did the various departments and committees considering appropriations take into careful account the amount of government revenue. For this reason it was purely an accident if appropriations kept within the limits set by available revenue.

A similar situation formerly prevailed in many of the states. The various administrative departments transmitted to the legislature an estimate of what each required for the coming year. These estimates, together with an unlimited number of appropriation bills introduced by individual members, were referred to various committees. Whether particular appropriations were granted depended, not upon the amount of state revenue, but upon the political pressure brought to bear in favor of those measures. As in Congress, neither the executive nor legislative branch of government, neither particular committees nor individual legislators, could be held wholly responsible for any appropriation measure. Excessive waste of public funds was the result.

459. BUDGET REFORM.—The last two decades have witnessed a growing demand for a national budget. Under the direction of President Taft a commission investigated the general question of

responsibility in the handling of Federal finances. The report of the committee favored a national budget, but the unfriendly attitude of Congress checked the movement. Interest in a national budget increased during the two terms of President Wilson, stimulated, especially, by the wave of postwar economy which swept the country after the signing of the armistice in November, 1918. In the spring of 1921, a bill establishing a budget system for the National government passed both houses of Congress, and on June 10, 1921, the bill became law by the signature of President Harding. This system is expected markedly to improve Federal finances.

Practically unknown a few years ago, the budget movement among the states has spread so rapidly that at the present time almost all of the commonwealths have some sort of budget system. Three methods of preparing the budget are found among the several states. In some states, as in New York, budget-making is in the hands of the legislature; in other states, as in Wisconsin, both legislature and executive participate in budget-making; in still other states, as in Illinois, the executive alone is responsible for the preparation of the budget. Many authorities claim that the last-named type of budget preparation is preferable but, in many states it is objected to as giving too much power to the executive.

D. THE REFORM OF MUNICIPAL GOVERNMENT

460. MUNICIPAL REFORM: CHANGES IN THE MAYOR-COUNCIL PLAN.—Until the opening of the twentieth century practically every American city was governed under what is known as the mayor-council plan. This plan provides for a council to make the laws, and a mayor to act as executive. Formerly the council of the larger cities was very often composed of two chambers, a board of aldermen and a common council, but of late years the single-chambered council has become more and more common.

The mayor-council plan still prevails in most American cities, particularly in the larger municipalities. But everywhere the growing demand for honesty and efficiency in government is leading to the reform of this system. In order to reduce the length of the ballot, the appointive power of the mayor is being increased. In the interests of economy and responsibility the administrative offices are in many cities being consolidated, co÷rdinated and centralized under the mayor. To guard against the abuse of financial power there is in many commonwealths a tendency for state constitutions and statutes to limit the debt-incurring and franchise-granting powers of city councils.

461. MUNICIPAL REFORM: THE COMMISSION PLAN.—In September, 1900, a tidal wave seriously demoralized the mayor-council form of government in Galveston, Texas. To meet the emergency, the state legislature authorized the establishment of a

new type of government, known as the commission plan. Instead of selecting a mayor and councilmen, the voters of Galveston now choose a commission of five officials. All of these commissioners are equal in power, except that one presides as mayor-president. The commission form of government spread rapidly, chiefly among the smaller cities, until in 1921 there were more than 300 municipalities governed under this plan. In every case the commission has both legislative and executive powers. Collectively the commissioners act as a legislative body for the city, individually they head the various administrative departments.

A number of important advantages are claimed for the commission form of city government. Responsibility is no longer divided among mayor and councilmen, but can be definitely placed upon the small group of commissioners. It is believed by many that commission government allows a greater harmony of action than is possible under the mayor-council plan. Finally, it is declared, a group of five or seven commissioners can administer city government with more efficiency than can a mayor and a numerous council.

The opponents of commission government maintain, on the other hand, that the plan is undemocratic and oligarchical because it centralizes great power in the hands of a small group. The plan is said to increase the danger of corruption, since appropriating and spending powers are placed in the

same hands. The opponents of this form of government also maintain that it renders easier the corruption of the city administration, since party bosses may easily gain control of a few commissioners. A final, and perhaps the most serious, objection is that commission government does not go to the logical conclusion in concentrating responsibility. There is no head to the administration, and no way of preventing the diffusion of responsibility among the commissioners. Jealousy among the commissioners has often led to friction and to working at cross-purposes. [Footnote: Of recent years a number of cities have abandoned commission government for either the mayor-council or the city manager plan.]

462. MUNICIPAL REFORM: THE CITY MANAGER PLAN.—A recent modification of commission government is the city manager plan. This provides for a small elective commission, which does not itself administer the government of the city, but which chooses, instead, an experienced executive or city manager. The city manager is supposed to be a non-partisan expert whose duty it is to administer the city in accordance with business principles. As the agent of the commission choosing him, the city manager enforces all ordinances, prepares annual estimates, and appoints all other city officials and employees. He also accepts full responsibility for the administration of the city's affairs.

The first city to apply the city manager plan was

Dayton, Ohio, which began the experiment on January 1, 1914. Since that date the plan, or some variation of it, has been established in about a hundred cities. The city manager plan is an improvement over the commission plan, in that it allows a greater concentration of responsibility. Another advantage over commission government is that the city manager plan insures a high grade of professional skill at the apex of the city's administration. The plan appears to work well in the smaller cities, provided a high grade manager can be found, and provided, also, that his position can be safeguarded against corrupting political influences.

QUESTIONS ON THE TEXT

1. What four questions are discussed in this chapter?

2. Why are American legislatures overwhelmed with work?

3. What are the merits and defects of the committee system?

4. What is log-rolling, and why is it objectionable?

5. What is the purpose of the legislative bureau?

6. What is the function of the expert bill drafter?

7. What are the chief defects of state administration?

8. What has been done to correct these defects?

9. Discuss the movement toward a national budget.

10. What are the three forms of budget making in state government?

11. What is the mayor-council plan, and what changes are being brought about in it?

12. What is the commission plan of city government? How did it arise? What can be said for and against it?

13. Compare the commission plan with the city manager plan.

14. What is the chief merit of the city manager plan?

Required Readings

1. Williamson, *Readings in American Democracy*, chapter xxxvi.

Or all of the following:

2. Bryce, *The American Commonwealth*, vol. i, chapter xlv.

3. Munro, *The Government of the United States*, chapter xxxi.

4. Reed, *Form and Functions of American Government*, chapter xli.

5. Illinois Efficiency and Economy Committee, Report, 1915, pages 18- 24 and 74-77.

QUESTIONS ON THE REQUIRED READINGS

1. What are the chief defects of state government in general? (Bryce, page 556.)

2. What is a book of estimates? (Reed, page 483.)

3. Describe the procedure in Congress with regard to appropriation bills. (Reed, page 484.)

4. How are provisions against special legislation evaded in some states? (Bryce, page 559.)

5. Enumerate and briefly characterize the chief administrative offices in the various states. (Munro, pages 447-457.)

6. What are the two distinctive features of state administration? (Munro, pages 457-458.)

7. What are the chief defects of state administration? (Illinois Report, pages 18-24.)

8. Summarize the advantages of a reorganized and consolidated state administration. (Illinois Report, pages 74-77.)

9. What is the purpose of a "state auditing" system? (Reed, page 489.)

10. Explain the need for uniform accounts for cities and counties? (Reed, pages 491-492.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Interview any citizen of your community who has served in the state legislature. Ask for his personal opinion concerning the amount of legislative business to be transacted, the workings of the committee system, and the practice of log-rolling.

2. Status of the expert bill-drafter and the legislative reference bureau in your state. If these devices have not been adopted, interview or write to a member of the state legislature concerning his opinion of these legislative aids.

3. The enactment of appropriation bills in your state legislature.

4. The development of the administrative department in your state.

5. Make a diagram showing the relations of the various boards and commissions embraced in the administrative department of your state. Point out instances of duplication and lack of co÷rdination.

Draw up a plan for consolidating these boards and commissions.

6. The budget in your state.

7. Form of government in your municipality.

II

8. The business of Congress. (McCall, *The Business of Congress*.)

9. The faults of state legislatures. (Kaye, *Readings in Civil Government*, pages 282-295.)

10. The legislative reference bureau. (Reinsch, *Readings on American State Government*, pages 63-74.)

11. History of state administration. (Illinois Constitutional Convention Bulletins, 1920, pages 623-709.)

12. The reorganization of state government. (Munro, *The Government of the United States*, chapter xxxvi.)

13. A National budget. (Cleveland and Buck, *The Budget and Responsible Government*, chapters xviii-xx.)

14. State budgets. (Cleveland and Buck, *The Budget and Responsible Government*, part iii; Munro, *The Government of the United States*, pages 466-469.)

15. Revenues and expenditures of cities. (Beard, *American City Government*, chapter v.)

16. Home rule for cities. (Beard, *American City Government*, chapter ii.)

17. The mayor-council plan. (Munro, *The Government of American Cities*, chapters viii and ix.)

18. The commission plan of city government. (Munro, *The Government of American Cities*, chapter xii; Massachusetts Constitutional Convention Bulletins.)

19. The city manager plan. (Munro, *The Government of American Cities*, chapter xv; Massachusetts Constitutional Convention Bulletins.)

20. The civil service as a career. (Foltz, *The Federal Civil Service as a Career*.)

FOR CLASSROOM DISCUSSION

21. Would shortening the length of the legislative session improve the quality of legislation? (See Bryce, *The American Common-wealth*, vol. i, chapter xlv.)

22. Should there be a limit to the number of bills which a legislator may introduce?

23. Methods of co÷rdinating committees in your state legislature.

24. Advantages and disadvantages of the commission form of government. (See the Debaters' Handbook Series.)

25. Advantages and disadvantages of the city manager plan. (See the Debaters' Handbook Series.)

CHAPTER XXXVII

THE EXTENSION OF POPULAR CONTROL

463. BASIS OF POPULAR CONTROL.—The fact that our government is a representative democracy entitles the voters to choose, direct, and control the public officials who act for the people at large. We have discussed a few of the methods whereby the nomination and election machinery might be improved; we must now go a step further and examine the means by which officeholders may be controlled.

Supposedly, officials are chosen because the people believe them able and willing to discharge public duties with honesty and efficiency. But after officials have taken office it may develop that they have secured their positions by unfair means, or that

they are dishonest, or that they are inefficient or otherwise unsatisfactory. Wherever it develops that officeholders no longer meet with the approval of the people, truly representative government is impossible unless some method of effective popular control is found.

A. INDIRECT METHODS OF CONTROL

464. REFUSAL TO RE╦LECT.—If the voters are dissatisfied with the conduct of their representatives, they may express their disapproval by refusing to reŰlect those representatives. This effects a measure of control, even though it is negative and not immediate.

465. REMOVAL BY THE APPOINTIVE AUTHORITY.—If satisfaction is not rendered by subordinate administrative officials who have secured office through appointment, such officials may be removed from office by the authority appointing them. The power of the President, Governor, or mayor to appoint generally carries with it the power to remove from office. Such removal may be on the initiative of the appointing authority, or it may be in response to a popular demand. From the standpoint of the voters at large, however, this method of removal is indirect and often ineffective.

466. IMPEACHMENT.—Unsatisfactory officials are sometimes removed by the impeachment process. In

the various states either a part or the whole of the legislature may sit as a court of impeachment for the trial of certain important officials accused of serious crime. In the National government the House of Representatives may initiate impeachment proceedings against the President, Vice-President, and all other civil officers of the United States. In such cases the Senate acts as a court of trial.

Yet as a method of popular control impeachment is unsatisfactory. It is indirect, since a part or the whole of the legislature acts for the people. It is slow and cumbersome. It does not extend over the entire list of public officials, nor over the entire range of offenses.

467. CONTROL THROUGH THE AMENDING PROCESS.—The powers and duties of public officials may be partially controlled through the formal amending process. In all states except New Hampshire the constitution may be amended through legislative action, subsequently ratified by popular vote. About two thirds of the states also provide for amendment by a constitutional convention composed of delegates elected by the voters. In a number of states, as we shall see a little later, constitutional amendment may also be secured by means of the Initiative and Referendum.

The Federal Constitution may be formally amended in four different ways. The two most important methods are, first, by a two-thirds vote in each house of Congress, and second, by a convention

called by Congress upon application of the legislatures of two thirds of the states. In either case the amendment must be ratified by the legislatures of three fourths of the states.

The formal amending process is an important part of our governmental machinery, but as a method of popular control it is open to a number of criticisms. It is slow. It is indirect, for the people must rely chiefly upon their legislatures. Constitutional amendment cannot remedy all of the abuses of office. Furthermore, it is too drastic and far-reaching a remedy for many of the minor abuses of office.

B. DIRECT METHODS or CONTROL

468. THE INITIATIVE.—In more than a third of the states popular discontent with the state legislature, together with the growing self-confidence of the voters, has led to the adoption of the Initiative. The Initiative is a device whereby any person or group of persons may draft a statute, and, on securing the signatures of a certain percentage of the voters, compel the state officials to submit the measure to popular vote. If at this voting the measure secures the required popular approval, it becomes law.

When the measure is submitted to the voters directly after the fulfilment of the petition requirements, the device is known as the Direct

Initiative. When, after passing the petition stage, the measure goes to the legislature and does not come before the people at the polls unless the legislature fails to accept it, the device is known as the Indirect Initiative. In a dozen states, chiefly in the West, the Initiative is also used to propose amendments to the state constitution.

469. THE REFERENDUM.—Early in our national history, it became an established principle that proposed constitutions or constitutional amendments should be referred to the voters for ratification. Of recent years about a third of the states, chiefly in the West, have extended the referendum device to cover ordinary legislation. This type of referendum may be defined as a plan whereby a small percentage of the voters may demand that practically any statute passed by the legislature must be submitted to the voters and approved by a specified majority before going into effect. [Footnote: A few types of laws are not subject to the Referendum.]

The Referendum is variously applied. In the Compulsory Referendum, which is the most common form, a measure must be submitted to the people whenever a designated number of voters petition that this step be taken. The Optional Referendum allows the state legislature to decide whether or not an enacted measure should be submitted to the people. The Statutory Referendum applies only to proposed statutes, while the Constitutional Referendum is limited to proposed amendments to

the state constitution.

470. DIRECT LEGISLATION.—The Initiative and the Referendum are found together in more than a dozen states. The two devices are supplementary: the Initiative is a positive instrument which may be used to set the wheels of direct legislation in motion; the Referendum is a negative measure which gives the people a potential veto on laws passed by the legislature. The Initiative and the Referendum are known collectively as Direct Legislation, that is, legislation directly by the people, as opposed to legislation enacted entirely through the legislature.

471. ADVANTAGES CLAIMED FOR DIRECT LEGISLATION.—Important advantages are claimed for Direct Legislation. It is declared that the Initiative and Referendum keep lawmaking from being dominated by special interests. Because it constitutes a check upon constitutional conventions and state legislatures, Direct Legislation is said to make government more truly responsive to public opinion. It is claimed that Direct Legislation does not supplant, but rather supplements, improves, and renders more democratic, the formal legislative machinery. In several states, and especially in Oregon, it is claimed that the device stimulates political interest on the part of the voters. In Oregon the authorities print a pamphlet containing a statement of proposed laws, and summarizing the arguments of both advocates and opponents of each measure. Some weeks before the measure is to be

decided at the polls this pamphlet is sent at public expense to every registered voter in the state.

472. OBJECTIVES URGED AGAINST DIRECT LEGISLATION.—Critics of the Initiative and the Referendum maintain that Direct Legislation has many serious defects. It is declared that by breaking down and weakening the state legislature, this type of legislation threatens the integrity of the framework of government established by the state constitution. It is pointed out that Direct Legislation shifts lawmaking from a definite group (the state legislature), to a large and indefinite group of persons (the voters as a class), upon whom responsibility cannot be fixed. By robbing the legislature of power and responsibility, the Initiative and Referendum are said to degrade rather than to improve that body: the best class of men is not attracted to a legislature which has been shorn of dignity and influence, and if the people rely upon the Initiative and Referendum, the voters deem it less necessary to choose honest, capable legislators.

It is also maintained that the Initiative and Referendum do not promote independence of political thought, since only a mechanical "Yes" or "No" is demanded of the voters. In all states where Direct Legislation is applied, it is said, so few persons actually vote that legislation is really determined by a small minority of the voters. Again, the ease with which the Initiative and Referendum may be set in motion allows so many measures to be brought

before the people that they cannot vote upon them intelligently. It is also said that Direct Legislation is primarily the instrument of the propagandist, because in many cases cranks and professional agitators monopolize the privilege of circulating petitions.

A serious defect of Direct Legislation is that the drafting of many laws requires detailed and technical information which the average voter is in no position to secure. In several states, notably in Maine, the recognition of this difficulty has led to the adoption of a modified Initiative. According to this plan, the state legislature may examine any measure proposed by the voters, enact an alternative measure of its own, and submit both to popular approval. The voters decide between the two. The difficulty with this plan is that it is not only expensive, but that by doubling the number of measures to be weighed and studied it imposes an added burden upon the voter at the polls.

473. THE RECALL.—The Recall is a device whereby certain elective officials who have not given satisfaction in office may be required to stand for reŰelection before the end of their terms. The Recall is set in motion when a petition has been duly signed by a specified percentage of the voters, usually at least twenty-five per cent. The Recall cannot be employed until the official in question has been in office a specified period, so that he shall have had an opportunity to give satisfaction before being subject

to recall. Accused officials may forestall the Recall by resigning when a petition is launched against them, otherwise they must stand for reŰlection. The ballot which goes to the people contains, in brief, the objections to the official, and, in some states, also the reply of the accused officeholder. If defeated at the polls the accused official must retire from office; if vindicated, he continues in office during the remainder of his term.

The principle of the Recall was recognized in American state government before the end of the eighteenth century, but in its present application it is much younger. In its modern form the Recall was first used in 1903, when the city of Los Angeles applied it to elective municipal officials. Five years later Oregon adopted it for all state officers, and since 1908 it has spread to a number of other states, most of them in the western part of the country. The Recall has been used chiefly against city officials, though in several states it may be applied to a majority of both local and state officials. In Oregon, California, Arizona, Colorado, and Nevada, the Recall may also be used against judges.

474. ARGUMENTS FOR THE RECALL.—Those favoring the Recall maintain that it is the natural and legitimate expression of the right to remove unsatisfactory officials. It is pointed out that the Recall permits longer terms for elective officials, for if the voters know that they can use the Recall to remove officials who prove unsatisfactory, they will

feel safe in electing those officials for relatively long terms. By reducing the number of elections, the device lightens the burdens of the voter. The Recall is said to be a wholesome reminder of preŰlection promises. It is also maintained that since the Recall is a threat, it encourages officeholders to be honest and efficient.

475. OBJECTIONS URGED AGAINST THE RECALL.—In answer to the above arguments, the opponents of the Recall claim that the device encourages officials to curry popular favor, regardless of public duty. It may also place officials at the mercy of popular passion and caprice. When it is applied to judges, the Recall threatens the integrity and independence of a branch of government which ought to be removed from popular clamor and prejudice. This last is a serious objection, for it may happen that judges subject to the Recall will hesitate to hand down decisions that may prove unpopular, however just those decisions may be. For this reason the extension of the Recall to judges is being strongly resisted. Even the most ardent advocates of the device are beginning to admit that the Recall is more applicable to administrative officials than to judges.

476. STATUS OF THE RECALL.—A satisfactory decision upon the merits of the Recall is difficult because it is so recent a development and still so little used that few data are available. The state-wide Recall has been in existence for a number of years, yet few state officials have been removed by it. Los

Angeles used the Recall to unseat the mayor in 1904 and in 1909, and in 1911 the device was used against the mayor of Seattle. But the Recall is primarily a threat, and is rarely used. In view of this fact, the arguments for and against the device rest upon theory rather than upon actual experience. The Recall has great possibilities for good if wisely administered, but it may become an evil influence if carelessly or revengefully used.

477. SIGNIFICANCE OF POPULAR CONTROL.—The development of the Initiative, the Referendum, and the Recall indicates a growing impatience with the abuses of party power, the evils of the long ballot, and the corruption and inefficiency of many legislative bodies. It is significant that direct popular control has accompanied the widespread movement to reform municipal government, and that it is playing an increasingly important part in the movement to reform state administration.

Up to the present time, the Initiative, the Referendum, and the Recall have been confined chiefly to the West, where political problems are less acute than in the East, and where, too, the tendency toward direct participation in government has always been marked. Nevertheless, there is some indication that the future will see an extension of direct popular control, not only in the West, but also in other parts of the country. Whether or not this extension is desirable we cannot now say. But certainly it is an interesting and important

development, and one demanding careful study and mature deliberation on the part of those who seek to make American government highly effective.

QUESTIONS ON THE TEXT

1. What is the basis of popular control?

2. Name several methods of indirect control, and point out the objections to each.

3. What is the Initiative?

4. Distinguish between the Direct and the Indirect Initiative.

5. What is the Referendum?

6. What is the extent of the Referendum in this country?

7. What is Direct Legislation?

8. Summarize the arguments in favor of Direct Legislation.

9. What objections are urged against Direct Legislation?

10. What is the Recall?

11. To what extent has the Recall been adopted in this country?

12. What arguments are used to justify the use of the Recall?

13. What are the chief objections to the Recall?

14. What is the present status of the Recall?

15. What is the significance of direct popular control?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxxvii.

Or all of the following:

2. Beard, *American Government and Politics*, chapter xxiii.

3. Massachusetts Constitutional Convention Bulletins (1917), No. 6.

4. Munro, *The Government of the United States*, chapter xxv.

5. Lowell, *Public Opinion and Popular Government*, chapters xiii, xiv, and xv.

QUESTIONS ON THE REQUIRED READINGS

1. Summarize the principles underlying the Initiative and Referendum. (Beard, pages 469-471.)

2. Name some states in which the Initiative and the Referendum have been established. (Beard, page 463.)

3. Describe the workings of the Initiative. (Munro, page 506.)

4. Describe the workings of the Referendum. (Munro, pages 507-508.)

5. To what extent has there been an attempt to apply the Initiative and Referendum to national legislation? (Beard, pages 465-466.)

6. In what ways does Direct Legislation establish a system of minority rule? (Munro, page 515.)

7. To what extent does Direct Legislation delay law-making? (Lowell, pages 226-228.)

8. What is the nature of the laws enacted by the Initiative? (Lowell, pages 205-206.)

9. What has been the attitude of the courts toward the Initiative and Referendum? (Massachusetts Bulletin, pages 41-43.)

10. Enumerate the forms of the Recall. (Beard, pages 472-473.)

11. What part did the Recall play in early American history? (Munro, page 516.)

12. Describe the Recall election. (Munro, page

520.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The proportion of the public officials of your municipality who may be removed by an appointing authority.

2. Impeachment in your state. (Consult the state constitution.)

3. Extent to which the constitution of your state has been amended.

4. The Initiative in your state.

5. The Referendum in your state.

6. Extent to which the Initiative and the Referendum are found together in your state.

7. The Recall in your state. If this device has not been adopted in your state, find out whether or not its adoption is being agitated.

II

8. Development of Direct Legislation in the United States. (Munro, *The Initiative, Referendum and Recall*, chapter iv.)

9. Representative versus Direct Legislation. (Munro, *The Initiative, Referendum and Recall*, chapters vii and viii.)

10. The Initiative and Referendum in Oregon. (Kaye, *Readings in Civil Government*, pages 295-303; Munro, *The Initiative, Referendum and Recall*, chapters ix and x.)

11. The Initiative in Switzerland. (*Annals*, vol. xliii, pages 110- 145.)

12. The Referendum in Switzerland. (*Annals*, vol. xliii, pages 110- 145; Lowell, *Public Opinion and Popular Government*, chapter xii.)

13. Development of the Recall. (Munro, *The Initiative, Referendum and Recall*, chapter xii.)

14. The Recall in Los Angeles. (Munro, *The Initiative, Referendum and Recall*, chapter xiv.)

15. The Recall in Oregon. (Munro, *The Initiative, Referendum and Recall*, chapter xi.)

16. The Recall in Seattle. (Munro, *The Initiative, Referendum and Recall*, chapter xv.)

17. The Recall in Switzerland. (*Annals*, vol. xliii, pages 110-145.)

18. The Judicial Recall. (*Annals*, vol. xliii, part iii.)

19. Judicial decisions relating to the Initiative,

Referendum and Recall. (Beard and Schultz, *Documents on the State-wide Initiative, Referendum and Recall*, chapters xxxi-xxxvi.)

FOR CLASSROOM DISCUSSION

20. Should the Initiative and Referendum be applied to National legislation?

21. Do the Initiative and Referendum increase the burden upon the voter?

22. The effect of the Initiative and Referendum upon the character of the state legislature.

23. Should the Recall be applied to judges?

24. Merits and defects of such forms of direct popular control as exist in your state.

25. Future development of direct popular control in the United States.

CHAPTER XXXVIII

PUBLIC OPINION

478. THE NATURE OF PUBLIC OPINION.—One of the most powerful influences in any community is that intangible something which we call Public Opinion. Though everyone is familiar with it, the term Public Opinion is difficult to define. Public Opinion is intimately connected with the opinion of the individual, and yet is something more than a mere total of individual opinions.

Every man has a set of opinions or beliefs which are characteristic of his native instincts, his home training, and other influences which have helped mould his personality. Wherever individuals associate, the opinions of each person affect and are affected by the opinions of his fellows. As the result of this interaction we think of public opinion as being made up of a number of different currents, each embodying a view, a belief, or a doctrine. Where many individuals support a given view with moderate intensity, or where a small group feels very intensely upon a given topic, we say that Public Opinion has formed.

Public Opinion may be defined as a definite focus of individual opinions which are either numerous or intense enough to constitute a recognizable force, and to exert a noticeable influence upon the life of the community.

479. PUBLIC OPINION AND LAW.—It is characteristic of the human mind that we perceive concrete and tangible things more easily than we

understand abstract and intangible forces. Law is a definite, concrete, almost tangible thing; we perceive its outlines, recognize its various forms, and understand its nature and significance. But it is less easy to understand that law may be only a symptom of Public Opinion, only the concrete expression of intangible community sentiment. There is an interaction between law and Public Opinion, but the latter is the more fundamental and the more powerful. Public Opinion which is vigorous and well-organized may force the enactment of law; on the other hand, a law which runs counter to the prevailing state of Public Opinion may cease to be effective, because individuals will not co÷perate in enforcing it. Law half leads, half follows Public Opinion, and when legislators are skilled in discerning and influencing the mental attitudes of the people, law and Public Opinion pretty well keep pace with one another.

480. PUBLIC OPINION IN A DEMOCRACY.—The beliefs and opinions of the masses have been an important force even in the most absolute of monarchies; in representative democracies Public Opinion is even more important. Under a democratic form of government the attitude of the masses tends to be one of inquiry, self-confidence, and self-expression upon public questions. Lord Bryce has pointed out that because democracy permits and encourages freedom of discussion, Public Opinion in a country like the United States becomes much more

powerful than in less democratic countries.

And not only is Public Opinion more powerful in a democracy, but democracy is impossible without the regular exercise of a well- informed and sensible opinion by the majority of its citizens. Democracy emphasizes government *by* the people rather than government *of* the people. Thus if genuine democracy is to be developed and sustained, the people must cultivate an attitude of constant vigilance against civic indifference. Nominations and elections are focal periods in government, but government is a continuous obligation which requires constant rather than intermittent attention. Where civic interest is neither strong nor consistent, the virtues of democracy may be diffused in blind and leaderless wanderings.

481. DEVELOPMENT OF PUBLIC OPINION.—Even though never definitely focused or expressed, the vague beliefs, fancies, and prejudices of individuals may influence public affairs by causing community leaders to feel that "the people" will or will not tolerate a contemplated line of action.

But the influence exerted will be much greater if the opinions of the individual are definite, and if there is some method of clarifying, co÷rdinating and expressing the opinions of groups of individuals upon a given subject. If the opinions of the individual are to be definite and concrete, he must habitually come in contact with forceful persons and institutions; if

the opinions of various individuals are to be co÷rdinated and expressed there must be either physical contiguity among people, or else adequate means of transportation and communication.

We may now consider a few of the forces which serve to make definite and to organize the opinions of individuals.

482. THE HOME.—Certainly no institution exerts a more powerful influence upon the beliefs and opinions of the individual than the home. Our basic ideals and traditions pass from generation to generation through the continuity of the family life. During the plastic and impressionable period of infancy the child is constantly under the influence of the parents. At first fashioned largely by the parents, the beliefs and sentiments of the growing child are later modified by contact with other family members. When children go out to the school, the church or the workshop, beliefs and attitudes encountered outside the home are weighed in the light of family teachings. When young men and young women make homes of their own, they in turn imprint upon their children a complex of tradition and opinion which is the compromise result of their own family training, modified by influences later encountered outside the family circle.

483. THE SCHOOL.—Supplementing, and in some respects supplanting, the influence of the home is the influence of the school. While still in the plastic stage

the child is given over to the moulding influences of teacher and fellow-students. New contacts are made, new opinions are encountered, new avenues of thought and action are opened to the young and growing mind. Of recent years the tendency of the school to identify itself more closely with the practical life of the community is increasing the power and influence of that institution. The school is proving a genuine means of transition between the relatively localized influence of the home and the more widely diffused influences of the community.

484. THE CHURCH.—Closely related to the school as a determinant of opinion is the church. In the early stages of social development the home was equally the center of intellectual and religious life, but in recent times the church and the school have become separate, though related, institutions. The child spends more time in school than in the company of religious instructors other than his parents, but affiliation with the church often continues throughout the life of the individual, while the average child leaves school at a relatively early age. From the standpoint of Public Opinion, the primary importance of the church is that it exerts a powerful influence upon the ideals and conduct of both young and old. And as in the case of the school, this influence is being deepened by the increasingly close connection between the church and the practical life of the community.

485. THE THEATER.—The theatre has always been

a vital influence in man's aesthetic and emotional life. Drama, opera, comedy, and burlesque are variant forms, but they are alike in that they influence the audience. In the last decade the moving picture has greatly increased the power and influence of the theatre. The low price of the moving picture brings the theatre to millions who formerly were excluded from any appreciable degree of theatrical entertainment. The daily moving picture attendance of ten million people, the stimulating effect of music, the strong emotional appeal, the tender age of many of the audience, and the growing use of the moving picture as propaganda, all combine to make the film a powerful factor in the formation of Public Opinion.

486. THE PRESS.—The press is the nervous system of the nation. Supplemented by other means of communication, and aided by agencies of transportation, the press co÷rdinates individuals not physically contiguous, and thus enables them to act in concert. It lets everybody know what everybody else is thinking, or at least what they are supposed to be thinking. The forms of the printed page are infinitely various: daily papers, weeklies, monthlies, pamphlets, and books,—all of these are increasingly numerous. Statesmen, teachers, reformers, propagandists, and professional writers combine to turn out tons of printed matter a day. Pictures, jokes, contests, and stories are resorted to for the purpose of attracting attention. Editorials, advertisements,

and news articles are among the vehicles of expression used. Printed matter does not wait for the individual to seek it out, but instead it goes to him. In various forms it encounters him in the street, stares at him from shop windows and billboards, forces itself upon his attention in the street cars, and knocks at the door of his private dwelling. In all its forms, it should be remembered, the dominant aim of the printed page is to influence the individual, to cause him to do something or to refrain from doing something.

487. GROWING IMPORTANCE OF PUBLIC OPINION.—Despite the volume of European immigration to this country, American ideals and institutions are rendering our population more and more homogeneous, and thus more open to unifying influences. The increasing ease of transportation and communication is everywhere making isolation more difficult. Not only are the school, the church, the press, and the theatre widening in scope and increasing in influence, but new forms of expression are developing. There is a growing number of private organizations advocating social, economic, or political reforms. The popularization of psychology has encouraged the rise of innumerable forms of propaganda designed to influence the opinions of the community and nation. Occupational and social groups are everywhere organizing, clarifying their opinions, and expressing common principles in the effort to influence the public mind. All of these

factors combine to increase the importance of Public Opinion in present-day American life.

488. DANGERS OF UNREGULATED PUBLIC OPINION.—The growing power of Public Opinion brings with it increased possibilities for good, but also increased possibilities for evil. In an important sense, this is the age of the propagandist, the crank reformer, and the subsidized newspaper, the age of the agitator who spreads lies through anonymous letters, unsigned posters, and irresponsible whisperings. The individual must be constantly on his guard against this flood; he must recognize that Public Opinion is often capricious, and that a sudden hysteria may inflict untold injury. The morality of a mob is inferior to the morality of the individuals composing the mob, because in a mob the sense of power is dominant and the sense of responsibility is suppressed. Properly speaking a mob depends upon physical contiguity, but the co÷rdinating influence of rapid transportation and communication may create a mob spirit between individuals not physically in contact. When propaganda lashes into a passion groups of people in widely separated areas, democracy becomes the most dangerous of all forms of government: there is no sure hand upon the helm, the people control *en masse*, in a burst of passion they may lay waste the social heritage of centuries.

489. FREEDOM A PARTIAL SAFEGUARD AGAINST UNSOUND PUBLIC OPINION.— While democracy facilitates the creation of the mob spirit, it likewise

carries within itself at least a partial remedy for unsound Public Opinion. Men's opinions are infinitely various: the same community that produces the fanatic or the impractical idealist generally produces sensible and practical men as well. In politics men everywhere tend to divide into a radical group and a conservative group, between which control of the government oscillates.

Where freedom of expression is permitted, the existence of these two antagonistic camps is automatically a safeguard of the public welfare. Any one of a number of groups of people might ruin the country if left to themselves. But they are *not* left to themselves. Their opponents are constantly criticizing and checking them. When cranks launch propaganda, conservative critics launch counter-propaganda; when special interests attempt to influence the public mind, public- spirited individuals or organizations force both sides of the question before the public. When public officials neglect their duties, a thousand discerning men are ready to shout the fact from the housetops. Though the majority party secures control of government, the minority is never idle. Rather, it is constantly watching, waiting, marshaling opinion against the majority, calling public attention to the mistakes of their opponents, and agitating for a change of administration.

490. THE GUIDANCE OF PUBLIC OPINION.—Let us briefly consider the question of guiding or

directing the formulation of sound Public Opinion. In a free country, such guidance may sometimes prove dangerous, and yet careful direction of the formulation of Public Opinion is justified by two facts: First, the formulation of sound opinion is retarded by the great difficulty of securing adequate information on the great problems of modern civilization. Here the individual needs some help. Second, everyone who can distinguish between license and liberty must agree that we should limit the influence of individuals and institutions which suppress minority opinion, and distort facts in the effort to pervert Public Opinion.

These considerations suggest two distinct lines of action.

First, we can aid in the formulation of sound opinion by making it easier for the individual to secure data and information on current topics. The extension and perfection of the postal service, the improvement of our system of transportation, the spread of the school and library, and possibly the free distribution of literature dealing with the nature and functions of government, these and similar measures would prove helpful.

Second, law and moral education ought to co÷perate in suppressing influences which seek deliberately to poison or pervert the public mind. Free speech is a priceless element in democracy, but just as we must harmonize individual liberty with

the interests of the group, so we must prevent the use of free speech for criminal purposes. Especially ought the press and the school to be encouraged to give both sides of debatable questions. Every agency dealing with the issues of American life, indeed, ought to be careful not to distort those issues by suppressing or misusing facts. Above all, we must be careful not to pander to low ideals by emphasizing the negative and destructive side of our problems.

491. RESPONSIBILITY OF THE INDIVIDUAL.—A progressive civilization confers more and more benefits upon the individual, but his duties and responsibilities increase with equal speed. As Theodore Roosevelt once said, "It is not difficult to be virtuous in a cloistered and negative way," but honestly and effectively to fulfill the obligations of citizenship in a complex society is less easy. And yet the need of individual responsibility is infinitely greater in a modern community than among the members of an isolated and self-sufficient group. When small isolated villages were the dominant form of American settlement, the laxness of one group did not vitally affect the welfare of other groups. But so entwined are the present-day citizens of the United States that the acts of one individual may vitally affect the national well-being. The carelessness of a food canner on the Pacific coast may cost the life of a family on the Atlantic seaboard; a swindle originating in the East may demoralize individuals throughout the country. The obligations of

citizenship have become national as well as local; in thought and in action the individual must function, not only in terms of his locality, but in terms of the nation as well.

492. THE POWER OF THE INDIVIDUAL.—Measuring himself against more than a hundred million of his fellows, the average American citizen is likely to be overpowered by the apparent futility and powerlessness of his personal opinions. And yet the power of the nation is only the result of the combined influences of its individual citizens. All power is with the individual. However much the absolute monarchy may have suppressed the individual, in a democracy he can become a vital force in government. We are too fond of taking censuses on the one hand, and of deferring to governmental mechanisms on the other. The individual *is* master of his fate, and he *is* the ultimate determinant of government. If government is sound, the misbehavior of the individual can ruin it; if government is defective, the assumption of responsibility by the individual must ultimately reform it. We do not need a fool-proof government half as much as we need active, responsible individuals to run the government we already have. "How long will American democracy last?" a European statesman once asked. "Just so long," the answer might have been, "as Americans honestly and intelligently grapple with the problems confronting them, holding themselves individually responsible

for the conduct of government, and seeking consistently to exert an influence upon their community life which shall be constructive and inspirational."

QUESTIONS ON THE TEXT

1. Define Public Opinion.

2. What is the relation of Public Opinion to law?

3. What is the importance of Public Opinion in a democracy?

4. Why should the opinions of individuals be clarified and organized?

5. Describe the importance of home life in this regard.

6. How does the school affect the opinions of individuals?

7. What is the significance of the church with regard to Public Opinion?

8. What is the effect of the theatre upon Public Opinion?

9. Explain clearly the relation of the press to Public Opinion.

10. What are the dangers of unregulated Public

Opinion?

11. In what way is freedom a safeguard against unsound Public Opinion?

12. What two facts justify the guidance of Public Opinion?

13. Discuss the relation of Public Opinion to the individual.

14. What can be said as to the power of the individual?

REQUIRED READINGS

1. Williamson, *Readings in American Democracy*, chapter xxxviii.

Or all of the following:

2. Brewer, *American Citizenship*, chapter v.

3. Bryce, *Modern Democracies*, vol. i, chapter xv; vol. ii, chapter xliv.

4. Lowell, *Popular Government and Public Opinion*, chapter iii.

QUESTIONS ON THE REQUIRED READINGS

1. What is the relation of homogeneity of population to Public Opinion? (Lowell, pages 34-35.)

2. Why must the minority be free to express its dissent? (Lowell, pages 36-37.)

3. How is the drift of Public Opinion to be determined? (Bryce, vol. i, pages 155-156.)

4. What is the relation of Public Opinion to voting? (Bryce, vol. i, pages 159-161.)

5. Compare Public Opinion in the United States with Public Opinion in other countries. (Bryce, vol. ii, pages 112-113.)

6. Compare the press of the United States with that of Europe. (Bryce, vol. ii, page 118.)

7. What is the relation of Public Opinion to local self-government? (Bryce, vol. ii, pages 115-116.)

8. What is the relation of Public Opinion to social legislation? (Bryce. vol. ii, page 126.)

9. What is the great defect of Public Opinion? (Bryce, vol. i, page 162.)

10. What is the one great clear purpose in civic life? (Brewer, pages 120-121.)

11. What qualities must we possess in order to carry out this purpose? (Brewer, pages 120-121.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a list of some of your beliefs and opinions concerning the recent World War, and try in each case to trace the origin of each belief or opinion.

2. Toward which political party are you inclined? To what extent is this inclination due to

(a) the influence of your parents;

(b) what you have read in the newspapers;

(c) what you have personally observed?

3. Make a list of the opinions which you originally acquired in your home, and which have since been modified by what you have studied in school.

4. To what extent are your personal standards of conduct traceable to what you have seen at the theatre?

5. List the private organizations in your community which exist for the purpose of advocating reforms of various kinds.

6. Make a study of the forms of propaganda utilized in a single copy of any metropolitan newspaper.

7. To what extent does your local press give both sides of debatable questions?

II

8. The nature of Public Opinion. (Lowell, *Public Opinion and Popular Government*, chapters i and ii.)

9. Relation of Public Opinion to law. (Forman, *The American Democracy*, pages 235-238.)

10. Government by Public Opinion. (Bryce, *The American Commonwealth*, vol. ii, chapter lxxvii.)

11. The type of questions to which Public Opinion can apply. (Lowell, *Public Opinion and Popular Government*, chapter iv.)

12. The relation of tradition to Public Opinion. (Bryce, *Modern Democracies*, vol. i, chapter xiii.)

13. Private associations for the advancement of group interests. (Young, *The New American Government and its Work*, chapter xxvii.)

14. Tyranny of the majority. (Bryce, *The American Commonwealth*, vol. ii, chapters lxxxiv and lxxxv.)

15. Attitude of the individual in a democracy. (Speare and Norris, *World War Issues and Ideals*, pages 170-182.)

16. The obligations of citizenship. (Cleveland, *Organized Democracy*, chapter viii; Brewer, *American Citizenship*, chapters i-iv.)

17. The hindrances to good citizenship. (Bryce, *The Hindrances to Good Citizenship*.)

18. Leadership in a democracy. (Bryce, *Modern Democracies*, vol. ii, chapter lxxvi.)

19. Relation between freedom and responsibility. (Hadley, *The Relation between Freedom and Responsibility in the Evolution of Democratic Government*.)

20. The influence of ideals upon civic conduct. (Adams, *The Power of Ideals in American History*.)

21. Wherein Public Opinion fails. (Bryce, *The American Commonwealth*, vol. ii, chapter lxxxvi.)

22. Wherein Public Opinion succeeds. (Bryce, *The American Commonwealth*, vol. ii, chapter lxxxvii.)

FOR CLASSROOM DISCUSSION

23. Suppose the public highways in your locality were in bad condition. How would you go about it to remedy the situation?

24. Which has more influence upon the opinions of people, the school or the press?

25. Are the Initiative and the Referendum adequate methods of ascertaining the prevailing state of Public Opinion?

26. Is freedom of speech an adequate safeguard of the rights of minorities?

27. To what extent, if to any, should Federal and state authorities distribute free literature concerning the nature and functions of American government?

28. How might co÷peration in the study of civic problems be promoted in your community?

PART V—THE MECHANISM OF GOVERNMENT

A. THE FEDERAL GOVERNMENT

CHAPTER XXXIX

THE FEDERAL SYSTEM OF GOVERNMENT

A. BACKGROUND OF THE FEDERAL CONSTITUTION [Footnote: For a fuller discussion of the background of the Federal Constitution, see Chapters II and III.]

493. COLONIAL GOVERNMENTS.—It is possible to classify the American colonies as charter, royal, and proprietary, and to point out important differences between these three types.

But these differences fade in importance before the broad and fundamental similarities existing among the colonies. Just as there was among the colonies a substantial unity of race, language, and religion, so there was a basic similarity in political institutions. All of the colonies were under relatively the same degree of control by England, and consequently all of them had much the same degree of freedom in managing their own affairs. In each colony a governor acted as chief executive. In each colony, likewise, there was a legislature. In most of the colonies this legislature consisted of two houses, the lower of which was elected by the people. Colonial jurisprudence everywhere grounded upon the common law of England. In each colony there was a system of courts, largely following English judicial procedure. In local government there was a good deal of variation among the colonies, but everywhere the English model was followed, and everywhere the principle of local autonomy was asserted and championed.

494. EARLY ATTEMPTS AT UNION.—These fundamental similarities, together with the rise of common problems and the pressure of outside enemies, encouraged federation among the colonies. A notable attempt at union was made in 1643, when Massachusetts Bay, Plymouth, Connecticut, and New Haven united in a league of friendship, primarily for mutual defense against the Indians. This league rendered effective service during the forty years of

its life. In 1754 delegates from seven colonies met at Albany and adopted a plan of union proposed by Benjamin Franklin. The project was never carried through, but it is significant as indicating the trend toward union. Still later (1765) the Stamp Act Congress showed that the delegates of at least nine colonies could join in a protest against England's taxation policy. The two Continental Congresses may also be considered as steps toward union. The first of these (1774) concerned itself chiefly with a declaration of rights and grievances, but the second (1775-1781) went so far as to assume and exercise revolutionary powers.

495. THE ARTICLES OF CONFEDERATION.—Impelled by the necessity of a united front against England, the Second Continental Congress sought to give force to the Declaration of Independence by drawing up a comprehensive plan of union. This plan, embodied in the Articles of Confederation, was put into operation on March 1, 1781. The new government was a confederation or league of states, rather than a federal government such as we have to-day. The states gave up such important powers as the right to declare war, and the right to borrow and coin money, but the Articles specifically declared that "each state retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right which is not by this federation delegated to the United States in Congress assembled."

The Confederation government was seriously

defective. There was no national executive and no judiciary. All authority was concentrated in a one-chambered congress, the delegates to which were entirely under the control of the state legislatures which chose them. The central government had no real authority or power. Its congress could reach the individual only through the action of the state governments, and these it could not coerce. The Confederation government managed to carry the states through the last two years of the war, and then declined rapidly in power and influence. The Congress could not force the states to co÷perate with one another in matters of national interest. The inability of the central government, either to pay the interest on the national debt or to force the states to observe treaties which we made with foreign powers, cost us the respect of Europe. "We were bullied by England," writes John Fiske of this period, "insulted by France, and looked askance at in Holland."

The defects of the Articles could not be remedied, for amendment was by unanimous consent only, and on every occasion that an amendment was proposed, one or more states refused their assent. By 1786 it was the conviction of most American statesmen that if the country were to be saved from anarchy and ruin the central government would have to be reorganized.

496. THE CONSTITUTIONAL CONVENTION OF 1787.—In May, 1787, delegates from every state except Rhode Island came together in Philadelphia to

consider "means necessary to render the Constitution of the Federal government adequate to the exigencies of the Union."

Early in the session Edmund Randolph introduced what has been called the Virginia plan. This called for an abandonment of the Articles of Confederation and demanded the establishment of a strong national government. The Virginia plan favored the larger and more populous states by providing a national Congress of two houses, in both of which representation was to be on the basis of population.

Of the several other plans put before the Convention the most notable was that proposed by William Paterson of New Jersey. The adherents of this plan wished to retain the Articles of Confederation. The Articles were to be revised so as to give greater powers to the central government, but in most practical concerns the states were to continue sovereign. The New Jersey plan opposed the idea of a two-chambered legislature in which the states were to be represented on the basis of population. If representation in both houses of Congress were on the basis of population, it was declared, the larger and more populous states would be able to dominate the National government and the rights of the smaller states would be inadequately safeguarded.

After a long debate a compromise plan was adopted. It was agreed that there should be

established a strong national government, but one sufficiently checked by constitutional provisions to safeguard the rights of the states. The national legislature was to consist of two houses. In the upper house the states were to be represented equally, while in the lower chamber representation was to be on the basis of population.

497. THE NEW GOVERNMENT.—The Convention completed the Constitution on September 17, 1787, and the document was immediately placed before the states. By the summer of 1788 the necessary number of states had ratified the Constitution, and on April 30, 1789, the new government was put to work under George Washington as first President.

The English statesman Gladstone has implied that our Constitution was an original creation, "struck off at a given time by the brain and purpose of man." But as a matter of fact the Constitution was not so much the result of political originality as it was a careful selection from British and colonial experience. The trial of the Confederation government had proved especially valuable, and in drawing up the Federal Constitution, the members of the Constitutional Convention were careful to avoid the defects of the Articles of Confederation. The most fundamental difference between the Confederation government and the new Federal government was that the Federal Constitution provided for an adequate executive and judiciary to enforce the Federal laws directly upon the individual. The

Confederation government, it will be remembered, had been obliged to rely upon the states for the enforcement of all laws.

B. FRAMEWORK OF THE FEDERAL GOVERNMENT

498. THE THEORY OF LIMITED GOVERNMENT.—The new Constitution created a system of Federal government which retains the advantages of local self-government for the states, but at the same time secures the strength which results from union. The government of the United States is a compromise between centralization and decentralization, the balance between these two extremes being maintained by a rather elaborate system of checks, balances, and limitations.

These checks, balances, and limitations we may consider under five heads: first, private rights under the Federal Constitution; second, the threefold division of powers in the Federal government; third, the division of powers between Federal and state governments; fourth, interstate relations; and fifth, the supremacy of Federal law.

499. PRIVATE RIGHTS UNDER THE FEDERAL CONSTITUTION. [Footnote: For the prohibitions upon the states in favor of private rights, see Chapter XLV.]—The constitutional limitations upon the Federal government in behalf of private rights fall into two groups: those designed to protect personal

liberty, [Footnote: Some of the limitations in favor of personal liberty enumerated in this section are contained in the first ten amendments to the Constitution, adopted in a body in 1791.] and those designed to protect property rights.

In many important particulars the Federal Constitution protects personal liberty against arbitrary interference on the part of the National government. Congress may pass no law establishing or prohibiting any religion, or abridging either freedom of speech or freedom of the press. The right of the people peaceably to assemble and petition the government for a redress of grievances shall not be denied. The privilege of the writ of *habeas corpus* shall not be suspended. Congress may not define treason. Neither bills of attainder, nor *ex-post facto* legislation may be passed by Congress. Jury trial, fair bail, and freedom from both excessive fines and cruel and unusual punishments are guaranteed by the Constitution. Neither life, liberty nor property may be taken without due process of law.

The Federal Constitution likewise protects the property rights of the individual against Federal aggression. The state governments alone may define property. Congress may not tax articles which are exported from any state. All direct taxes must be apportioned according to population. [Footnote: The Sixteenth Amendment exempts the income tax from this rule.] All duties, imposts, and excises must be uniform, that is, they must fall upon the same article

with the same weight wherever found. Under the right of eminent domain, the Federal government may take private property for public use, but in such a case the owner must be fairly compensated.

500. THREEFOLD DIVISION OF POWERS IN THE FEDERAL GOVERNMENT.—A second distinctive feature of our system of government is that Federal authority is distributed among three distinct branches: the executive, the legislative, and the judicial. This is part of the general system of "checks and balances" by means of which the framers of the Constitution sought to prevent any branch or division of government from securing undue control of the governmental machinery.

The basic merit of this threefold division of powers is that it safeguards each branch of government against aggression from the other two branches. And yet this division of powers is by no means so complete that the three branches do not work together. For example, both the appointive and the treaty-making powers of the President are shared by the Senate. The President shares in legislation through his veto power, as well as through his right to send messages to Congress. The Senate has the right to impeach all civil officers of the United States, and may even exert some control over the Supreme Court through its right to prescribe the number of its judges and the amount of their salaries. The judiciary, on the other hand, enjoys the unique power of passing upon the constitutionality of the

acts of the other two branches of government.

501. DIVISION OF POWERS BETWEEN FEDERAL AND STATE GOVERNMENTS.— Another feature of the check and balance system is that authority is divided between Federal and state governments. The Tenth Amendment declares that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states." Thus we speak of the National government as enjoying delegated or enumerated powers, while the state governments have residual or unenumerated powers. The Federal government must show some specific or implied grant of power for everything that it does, but state governments need only show that the Federal Constitution does not prohibit them from doing whatever they see fit.

This division of powers between Federal and state governments has several distinct advantages. For example, it allows Federal and state governments to act as a check upon one another. Furthermore, the device admirably divides governmental labor: the Federal government is given control of matters essentially national, while the states are left in charge of affairs distinctly state or local in character.

502. INTERSTATE RELATIONS.—Further to guarantee the integrity of the Federal system, the Constitution specifies the fundamental nature of interstate relations. The states are independent of one another, and are equal in Federal law. The laws

of a state have no force, and their public officials have no authority, beyond the state limits.

The Constitution specifically provides that "full faith and credit shall be given in each state to the public acts, records, and judicial proceedings of every other state." This does not mean that the laws of a particular state are binding upon persons in other states. It does mean, however, that the courts of each state shall endeavor to give the same force to the laws of a neighboring state as those laws would have in the courts of the legislating state.

To prevent discriminations against citizens of other states, the Federal Constitution provides that the citizens of each state are "entitled to all the privileges and immunities of citizens in the several states." This means that a citizen of one state may remove to a neighboring state, and there enjoy the same civil rights that the citizens of the latter state enjoy.

In order that fugitive criminals may be tried and punished, the Constitution further provides that "a person charged in any state with treason, felony, or other crime, who shall flee from justice, and be found in another state, shall, on the demand of the executive authority of the state from which he fled, be delivered up to be removed to the state having jurisdiction of the crime."

503. SUPREMACY OF FEDERAL LAW.—A last distinctive feature of our system of government is

that Federal law is supreme. The Constitution states: "This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States shall be the supreme law of the land." The states are supreme in their sphere of action; nevertheless, when it is claimed that there is a conflict between state and Federal law, the latter prevails. Federal law is the supreme law of the land, and, in the last instance, it is the Supreme Court of the United States which is the interpreter of that law. The decisions of the Supreme Court are binding upon the Federal government, upon the several states, and upon private individuals.

C. DEVELOPMENT OF THE FEDERAL CONSTITUTION

504. THE FORMAL AMENDING PROCESS.—The Constitution of the United States may be formally amended in any one of four ways. First, an amendment may be proposed by a two-thirds vote of each House of Congress, and ratified by the legislatures of three fourths of the states. Second, an amendment may be proposed by a two-thirds vote of each House of Congress and ratified by conventions in three fourths of the States. Third, an amendment may be proposed by a national convention, called by Congress upon the request of the legislatures of two thirds of the states, and ratified by the legislatures of three fourths of the states. The fourth method

resembles the third, except that ratification is by conventions in three fourths of the states.

505. AMENDMENTS I-XIX.—There have been nineteen Amendments to the Federal Constitution. [Footnote: For the full text of these Amendments see the Appendix.]

Of these the first ten were adopted as a body in 1791, to satisfy those who feared that the new Constitution did not adequately protect individual or states' rights against Federal aggression. Amendments I- VIII are designed to protect the fundamental rights of the individual. The Ninth and Tenth express the principle that the Federal government is one of enumerated powers, while those powers not specifically conferred upon the Federal government by the Constitution are reserved to the states or to the people.

The Eleventh Amendment, adopted in 1798, provided that the Federal judicial power should not be construed to extend to any suit against a state by citizens of another state, or by citizens or subjects of any foreign state.

The Twelfth Amendment, adopted in 1804, provided that presidential electors should cast separate ballots for President and Vice President.

The Thirteenth Amendment (1865) abolished slavery, the Fourteenth (1868) defined citizenship

and sought to prevent the states from discriminating against certain classes of citizens, while the Fifteenth Amendment (1870) declared that the right of citizens of the United States to vote shall not be denied or abridged on account of race, color, or previous condition of servitude.

In 1913 the Sixteenth Amendment authorized Congress to tax incomes without apportionment among the several states, and without regard to any census or enumeration.

In the same year the Seventeenth Amendment provided for the direct election of United States Senators.

In 1919 an Eighteenth Amendment prohibited the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from, the United States.

A Nineteenth Amendment was adopted in 1920. This declared that the right to vote shall not be denied to any citizen of the United States on account of sex.

506. CONSTITUTIONAL CHANGES THROUGH JUDICIAL INTERPRETATION.—The Federal Constitution has also been modified and developed by judicial interpretation. The United States Supreme Court has maintained that the Federal government possesses not only those powers expressly granted by

the Constitution, but also those powers which are included with, or implied from, powers expressly granted. This liberal construction is authorized by the Constitution itself, for the last clause in Section VIII of Article One of that document declares that Congress shall have power to "make all laws which shall be necessary and proper for carrying into execution" its enumerated powers. Under this doctrine of implied powers, the influence of the National government has been markedly extended, chiefly with regard to the war power, the power to regulate interstate commerce, and the power to levy taxes and borrow money.

507. CONSTITUTIONAL CHANGES THROUGH USAGE.—The Federal Constitution has also been modified by the force of custom and political practices. Examples of the power of usage to modify the Constitution are numerous, but a few will suffice to illustrate the principle. Custom has limited the President of the United States to two terms. In conformity with a long-established custom, Presidential electors do not exercise independent judgment, but merely register the vote of their respective constituents. Though the Constitution provides that the appointive power of the President shall be exercised with the advice and consent of the Senate, custom virtually prohibits the Senate from challenging the President's Cabinet appointments. On the other hand, many executive appointments of minor importance are determined solely by members

of Congress. Usage decrees that the President alone may remove officers which he has appointed with the advice and consent of the Senate. Lastly, the legislative committee system, as well as the entire machinery of the political party, is the outcome of custom. Concerning these important instruments of practical politics, the Constitution is silent.

QUESTIONS ON THE TEXT

1. Point out some similarities among the American colonial governments.

2. Describe some of the earlier attempts at union.

3. What was the nature of the Confederation government?

4. For what specific purpose was the Constitutional Convention convened?

5. What was the Virginia plan? The New Jersey plan?

6. What was the fundamental difference between the Confederation government and the new Federal government?

7. What is the theory of limited government?

8. What two classes of private rights are safeguarded by the Federal Constitution?

9. What is the nature and purpose of the threefold division of powers?

10. To what extent does the Constitution divide powers between Federal and state governments?

11. Outline the nature of interstate relations, as provided for in the Federal Constitution.

12. What is meant by saying that Federal law is supreme?

13. By what four methods may the Federal Constitution be amended?

14. Enumerate and briefly characterize the nineteen amendments to the Federal Constitution.

15. To what extent has the Federal Constitution been modified by judicial interpretation?

16. How may the Constitution be modified by usage? Give some examples.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter iii.

2. Guitteau, *Government and Politics in the United States*, chapter xviii.

3. Munro, *The Government of the United States*,

chapter v.

4. Review chapters ii, iii and iv of the text.

QUESTIONS ON THE REQUIRED READINGS

1. What were the chief powers of the New England Confederation? (Guitteau, page 208.)

2. What was the nature of the Stamp Act Congress? (Guitteau, pages 208-209.)

3. What was the most fatal weakness of the Confederation government? (Guitteau, page 212.)

4. Outline the movement for constitutional revision. (Beard, pages 42- 44.)

5. Discuss the membership of the Constitutional Convention. (Beard, pages 44-45.)

6. Outline the defects of the Articles of Confederation which were avoided in framing the Federal Constitution. (Beard, pages 53-56.)

7. What were some of the objections to the ratification of the Federal Constitution? (Beard, pages 56-58.)

8. Compare the English and American Constitutions with respect to flexibility. (Munro, pages 57-58.)

9. What effect has constitutional development had upon the division of powers? (Munro, pages 69-70.)

10. Has the development of the Federal Constitution made government more or less democratic? (Munro, page 70.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The protection of your personal liberty under the Federal Constitution.

2. The protection of your property rights under the Federal Constitution.

3. Compare the first eight amendments to the Federal Constitution with the bill of rights in your state constitution.

4. Compare the Federal Constitution with the constitution of your state with respect to length, number of subjects treated, and complexity of language.

5. The process of extradition between your state and neighboring commonwealths.

II

6. Evolution of the state. (Gettell, *Problems in Political*

Evolution, chapter i.)

7. Nature of Federal government. (Gettell, *Readings in Political Science*, pages 268-270.)

8. Advantages and disadvantages of Federal government. (Gettell, *Readings in Political Science*, pages 276-280.)

9. Colonial origins of the Federal Constitution. (Beard, *American Government and Politics*, chapter i; Munro, *The Government of the United States*, chapter i; Reed, *Form and Functions of American Government*, chapter i.)

10. Preliminaries of national government. (Beard, *American Government and Politics*, chapter ii; Munro, *The Government of the United States*, chapter ii.)

11. The meaning of "We, the People of the United States," in the Preamble to the Constitution. (Taft, *Popular Government*, chapter i.)

12. Sovereignty. (Gettell, *Introduction to Political Science*, chapter viii; Leacock, *Elements of Political Science*, chapter iv.)

13. Relation of state and Federal governments. (Guitteau, *Government and Politics in the United States*, chapter xxi.)

14. The supremacy of Federal law. (Munro, *The Government of the United States*, chapter iv.)

15. The check and balance system. (Gettell, *Readings in Political Science*, pages 332-336; Forman, *The American Republic*, chapter iv.)

16. The separation of powers. (Beard, *American Government and Politics*, pages 152-155; Gettell, *Introduction to Political Science*, chapter xvii; Leacock, *Elements of Political Science*, part ii, chapter i.)

17. Interstate relations. (Leacock, *Elements of Political Science*, chapter vi.)

18. Personal liberty and government. (Cleveland, *Organized Democracy*, chapter vii; Gettell, *Introduction to Political Science*, chapter ix.)

19. The doctrine of implied powers. (Guitteau, *Government and Politics in the United States*, chapter xx.)

20. Evolution of the Federal Constitution. (Kimball, *The National Government of the United States*, chapter ii.)

FOR CLASSROOM DISCUSSION

21. Is the Federal Constitution too difficult of amendment? Is it too easily amended?

22. Does the Constitution adequately protect state

governments against Federal aggression?

23. Has judicial interpretation of the Constitution proved helpful or harmful?

24. Has constitutional modification through usage proved helpful or harmful?

CHAPTER XL

THE PRESIDENT OF THE UNITED STATES

A. CHOOSING THE PRESIDENT

508. ORIGINAL METHOD OF CHOOSING THE PRESIDENT.—The Federal Constitution sought to protect the office of chief magistrate against popular passion by providing for the indirect election of the President. According to the Constitution, each state was to appoint, "in such manner as the legislature thereof may direct," a number of electors equal to the state's combined quota of senators and representatives in Congress. These electors were to meet, each group in its own state, and were to vote by ballot for two persons. These ballots were then to be transmitted sealed to Congress, where the

President of the Senate was to open and count them in the presence of both houses. The person receiving the highest number of votes was to be declared President, while the individual obtaining the next highest number was to fill the office of Vice President.

509. CHANGES IN THE ORIGINAL METHOD OF CHOOSING THE PRESIDENT.—Three important changes have been brought about in the original method of choosing the President.

At the beginning of our national history, the state legislatures themselves chose the Presidential electors, but with the spread of democracy the legislatures gradually transferred the choice of these electors to the people. To-day Presidential electors are in every state chosen by popular vote, on a general state-wide ticket.

After the election of 1800 it became apparent that in order to prevent the candidate for Vice President from defeating the candidate for President, there would have to be a separate ballot for each of these officers. In 1804 there was accordingly passed the Twelfth Amendment to the Constitution, providing that Presidential electors should thenceforth cast separate ballots for President and Vice President.

Party politics have effected a third change in the original method of choosing the President. The Constitution evidently intended that the Presidential

electors should be men of high repute, and that they should select the nation's chief executive as the result of mature deliberation and independent judgment. But as early as the third Presidential election (1796) it became clearly understood that the electors would merely register the opinions of their constituents. Technically the electors still choose the President; as a matter of fact they exercise no discretion, but merely express decisions previously reached by their respective constituents.

510. PRESENT METHOD OF CHOOSING THE PRESIDENT.—To-day the President of the United States is elected as follows:

Each political party nominates a candidate for the presidency at a national convention held in June or July of the presidential year. At about the same time the various parties in each state nominate the quota of presidential electors to which the state is entitled. The people vote on these electors on the Tuesday following the first Monday in November of each leap year. In each state the electors receiving a plurality assemble at the state capitol on the second Monday in January following their election, and vote directly for President and Vice President. These votes are then certified and sent to the President of the Senate. On the second Wednesday in February, this officer opens them, and in the presence of the two houses of Congress, counts them, and declares elected the candidate who has received the majority of the electoral votes. If no candidate has a majority, the

House of Representatives elects one of the three leading candidates, the Representatives from each state casting one vote. In 1800 and again in 1824, the presidential election was thus decided by the House.

511. QUALIFICATIONS.—All persons who are entitled to vote for the most numerous branch of the state legislature are entitled, likewise, to vote in presidential elections. [Footnote: For limitations upon the suffrage in the various states, see Chapter XXXIII, Section 415.]

No presidential elector may hold any office of trust or profit under the United States. By custom electors are also residents of the district from which they are chosen.

The President of the United States must be a natural-born citizen of the United States and must be at least thirty-five years of age. He must also have been a resident of the United States for fourteen years.

512. COMPENSATION.—The President's salary is determined by Congress, but the amount may be neither increased nor decreased for the existing presidential term. Between 1789 and 1873 the presidential salary was $25,000, and in 1873 it was increased to $50,000 a year. Since 1909 the President has received an annual salary of $75,000, plus an allowance for travelling expenses and the

upkeep of the White House or Executive Mansion.

513. TERM AND SUCCESSION.—The President-elect is inaugurated on the 4th of March following his election, and serves until the 4th of March four years later. By custom, though not by law, he is limited to two terms.

The Constitution provides that in case the President is removed by impeachment, death, resignation, or inability, his duties shall devolve upon the Vice President. In 1886 the Presidential Succession Act provided that in case of the inability of both President and Vice President the Cabinet officers shall succeed in the following order: Secretary of State, Secretary of the Treasury, Secretary of War, Attorney-General, Postmaster-General, Secretary of the Navy, and Secretary of the Interior. No Cabinet officer has ever succeeded to the Presidency, but Presidents Tyler, Fillmore, Johnson, Arthur, and Roosevelt were formerly Vice Presidents who ascended to the Presidency because of the death of the chief executive.

514. THE VICE PRESIDENT.—The Vice President of the United States is elected in the same manner and by the same electors as the President, with this exception: The failure of any Vice-Presidential candidate to receive a majority of the electoral votes permits the Vice President to be chosen by the Senate from the two candidates receiving the highest number of electoral votes. The qualifications for the

Vice President are the same as for the President. The Vice Presidents salary is $12,000 a year.

Aside from the fact that he may succeed the President there is little to be said about the Vice President. He presides over the Senate, but he is not a member of that body. He can neither appoint committees, nor even vote, except in case of a tie. Vice Presidents have generally exerted little influence upon national affairs. During President Wilson's second term, neither the President's extended absence in Europe, nor his serious illness at home, operated to increase the influence of the Vice President. Under President Harding's administration, however, Vice President Coolidge was accorded considerable recognition, including the privilege of sitting in the President's Cabinet meetings.

B. DUTIES AND POWERS OP THE PRESIDENT

515. GENERAL STATUS OF THE PRESIDENT—The President of the United States acts as the head of the executive branch of government. Since the executive is independent of the other two branches, the President is subject to the control of neither legislature nor judiciary. The President cannot be arrested for any cause whatsoever. No ordinary court has jurisdiction over the Chief Magistrate, though misconduct may result in his being impeached by the Senate of the United States.

The President enjoys extensive powers, some of which are enumerated in the Constitution, [Footnote: Article II] and others of which he has acquired by the force of custom. These powers are divisible into four groups, which may be discussed in the following order: War powers, powers with reference to foreign affairs, administrative powers, and legislative powers.

516. WAR POWERS OF THE PRESIDENT.—Section II of Article II of the Constitution provides that the President shall be "commander-in-chief of the army and navy of the United States, and of the militia of the several states when called into actual service of the United States." In pursuance of this power the President controls and directs the nation's military and naval forces, and appoints all army and naval officers. [Footnote: In time of war, the President may dismiss these officers at will; in time of peace, however, they are removed by court-martial.] The execution of the military law under which the army and navy are governed is also directed by the President. The President may call out the state militia, when in his judgment such action is necessary in order to suppress insurrection, repel invasion, or enforce the laws. In case of war with foreign countries, the President as commander-in-chief assumes full direction of hostilities.

So long as he acts within the bounds of international law, the President may do anything which he deems necessary to weaken the power of

the enemy. In the exercise of this right President Lincoln blockaded the southern ports during the Civil War, suspended the writ of *habeas corpus*, declared martial law in many districts, and freed the slaves by proclamation. During the World War (1917-1921), the powers of President Wilson were greatly expanded. For the purpose of bringing the struggle with Germany to a successful termination, Congress conferred upon the President large powers of control over food, fuel, shipbuilding, and the export trade. The railway, telegraph, and wireless systems were taken over by the government under the President's war powers.

An important phase of the President's war powers is the constitutional charge to take care that the laws be faithfully executed. Usually the administration of law is a peaceful process, but when the civil authorities are rendered powerless by persons defying Federal law, the President may use his military power to restore order. On three notable occasions the President has enforced the laws by the use or display of military force. In 1794 President Washington called out the militia of four states to suppress the Whiskey Rebellion. During the Civil War, President Lincoln resorted to military force to execute the laws. Again, in 1894, President Cleveland used regular troops to prevent railway strikers in Chicago from interfering with the Federal mails.

517. CONTROL OVER FOREIGN AFFAIRS.—The

Constitution vests in the President the power to negotiate treaties and conventions with foreign nations. In practice the President usually acts through the Secretary of State. During the process of negotiation it is customary for the President to consult with the Senate committee on foreign relations, as well as with the leaders of the senatorial majority. Such consultation is a wise step, because no treaty may become law unless ratified by the Senate.

The President receives diplomatic representatives from foreign countries. This is largely a ceremonial duty, but it may involve serious consequences. When the independence of a foreign country is in doubt, or when the representative of any nation is personally objectionable to our government, the President may refuse to receive the foreign representative. In case relations between this and a foreign country become strained, or in case the representative of a foreign power is guilty of misconduct, the President may request the withdrawal of, or may even dismiss, the foreign representative. This severance of diplomatic relations may lead to war.

The President has the further power to appoint diplomatic representatives to foreign countries. We send ambassadors to the more important countries, ministers-resident to most countries, envoys extraordinary or ministers-plenipotentiary to several countries, and commissioners for special purposes. In the absence of the permanent diplomatic

representative some minor officer takes temporary charge, and is known as the *chargÚ d'affaires ad interim*. All of the President's diplomatic appointments must be confirmed by the Senate, but the President acting alone may remove any diplomatic officer. Such removal is at the pleasure of the President. The term of office enjoyed by diplomatic representatives is not fixed by law, but due to the influence of the spoils system, it often terminates when a new President assumes office.

Besides diplomatic officers, who are charged with political duties, our foreign service comprises various grades of consuls, or commercial representatives. The President and the Senate likewise choose consular officers, but from lists of persons who have qualified under the merit system. Promotion and removal are determined by Civil Service rules.

518. ADMINISTRATIVE POWERS OF THE PRESIDENT.—The chief administrative function of the President is to carry into effect the laws of the United States. In the discharge of this duty the President is aided by a large number of subordinate officials, who, directly or indirectly, are responsible to him as head of the administration. Altogether there are more than half a million officials in the executive civil service of the United States.

Over the appointment of these numerous officers the President has a varying measure of control.

He alone appoints a few executive officials, such as his private secretary and the members of his Cabinet. The latter are nominally chosen by the President and the Senate, but in practice the Senate universally approves Cabinet appointments sent in by the President. Officers in this first group may be removed only by the President.

The President and the Senate together select about 12,000 of the more important executive officers. These include diplomatic agents, Federal judges, most military and naval officers, collectors of customs and internal revenues, and many others. In the case of minor positions to be filled within a congressional district, the President usually confers with the Representative from that district, if that Representative is of the President's party. If such Representative is not of the President's party, the candidate for the position is really selected by the Senators from the proper state. [Footnote: Provided, of course, that these Senators belong to the same political party as the President.] The more important positions in this group are filled by the Senators from the state in which the vacancy exists, the President ratifying such selections as a matter of course. Officers in this second group are removable only by the President.

More than 300,000 of the minor executive positions are now filled by the Civil Service Commission. Persons entering office through the merit system, may be removed only for a cause

which will promote the efficiency of the service.

In addition to his administrative duties, the President has the power to grant reprieves and pardons for offenses against the United States, except in the case of impeachment. A pardon fully exempts the individual from the punishment imposed upon him by law; a reprieve, on the other hand, is simply a temporary suspension of the execution of a sentence.

519. LEGISLATIVE POWERS OF THE PRESIDENT. —Though primarily an executive officer, the President enjoys important powers over legislation.

The President may convene either or both houses of Congress on extraordinary occasions. For example, he may call an extra session of Congress to consider such questions as the tariff, currency reform, or a treaty.

The President has the right to send messages to Congress from time to time during his term. The recommendations contained in these messages exert some direct influence upon legislation, and are important in formulating public opinion outside of Congress.

Indirectly the President exerts a considerable influence upon legislation by bringing political pressure to bear upon the Congressional leaders of his party. He also exerts some influence upon

legislation by the use of the patronage which accompanies his appointing power. This influence is important as breaking down the barriers between the executive and legislative branches of government.

The President may issue ordinances which have the force of law. As commander-in-chief of the army and navy, he may issue ordinances for their regulation. In pursuance of the duty to enforce the laws, the President may issue ordinances prescribing uniform means for the enforcement of the statutes. He may issue ordinances for specific purposes, as, for example, Congress in 1912 authorized the President to issue legislative ordinances for the government of the Canal Zone.

Very important is the President's veto power. The President may veto any bill or joint resolution passed by Congress, with the exception of joint resolutions proposing Constitutional amendments. But the President must veto the bill as a whole, and not particular items. Even though vetoed by the President, a bill may still become law by being passed by a two-thirds vote in each house of Congress. In spite of these restrictions, the President exerts a considerable influence upon legislation by the use of the veto, or by the threat that he will employ it. Most authorities regard the veto power as a wholesome check upon harmful and unwise legislation.

QUESTIONS ON THE TEXT

1. Describe the original method of choosing the President.

2. Outline the three important changes which have taken place in the original method of choosing the President.

3. Describe the present method of choosing the President.

4. What are the qualifications for Presidential electors? For President?

5. What is the compensation of the President?

6. What is the nature of the Presidential Succession Act?

7. Discuss the Vice Presidency.

8. Into what four groups may the powers of the President be divided?

9. Enumerate the chief war powers of the President.

10. What is the extent of the President's treaty-making power?

11. Outline the President's duties with respect to appointing and receiving foreign representatives.

12. What is the chief administrative function of the President?

13. Discuss the President's power to grant pardons and reprieves.

14. Explain the ordinance-issuing power of the President.

15. What is the extent of the President's veto power?

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter x.

2. Guitteau, *Government and Politics in the United States*, chapter xxv.

3. Munro, *The Government of the United States*, chapter viii.

4. Reed, *Form and Functions of American Government*, chapter xix.

QUESTIONS ON THE REQUIRED READINGS

1. Outline the work of the national convention. (Reed, pages 228-229.)

2. Describe the presidential campaign. (Reed, pages 233-234.)

3. Why was the presidential election of 1876 disputed? (Guitteau, pages 288-289.)

4. Describe the inaugural ceremony. (Guitteau, page 292.)

5. What is the origin of the President's right to remove officers appointed by him? (Beard, page 193.)

6. How did President Roosevelt once succeed in carrying out the terms of an international agreement without the consent of the Senate? (Beard, pages 197-198.)

7. Why was the veto power originally bestowed upon the President? (Beard, page 202.)

8. What is the rule of senatorial courtesy? (Munro, page 107.)

9. What is the pocket veto? (Munro, page 118.)

10. What is the President's relation to the courts? (Munro, pages 124- 125.)

11. What is the method of impeaching a President? (Reed, pages 237- 238.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The part played by your state in the last Presidential election.

2. Extent to which the President of the United States has made use of the militia of your state.

3. Compare the powers of the President of the United States with the powers of the Governor of your state.

4. Cabinet officers, past or present, who were natives of your state.

5. List some of the offices within the bounds of your state which are filled, directly or indirectly, by the President of the United States.

II

6. The biography of some one President. (Consult an encyclopedia, standard works on American history, and special biographies.)

7. The history of some one important Presidential election. (Consult a standard history of the United States.)

8. The inauguration of a President. (Reinsch, *Readings on American Federal Government*, pages 1-5.)

9. The war powers of the President. (Reinsch, *Readings on American Federal Government*, pages 22-32.)

10. Federal intervention in the Chicago strike of 1894. (Reinsch, *Readings on American Federal Government*, pages 32-46.)

11. The treaty-making power. (Reinsch, *Readings on American Federal Government*, pages 79-127.)

12. The presidential power of appointment. (Taft, *Our Chief Magistrate and His Powers*, chapter iii.)

13. The pardoning power of the President. (Taft, *Our Chief Magistrate and His Powers*, chapter v.)

14. The presidential veto. (Taft, *Our Chief Magistrate and His Powers*, chapter i.)

15. The President at work. (Reinsch, *Readings on American Federal Government*, pages 5-10.)

16. The President as party leader. (Jones, *Readings on Parties and Elections in the United States*, pages 205-211.)

17. Relations of the executive and legislative branches of the National government. (Beard, *American Government and Politics*, pages 205-214.)

18. The impeachment of President Johnson. (Consult any general work on American history, or an encyclopedia.)

19. "Why great men are not chosen Presidents." (Bryce, *The American Commonwealth*, vol. i, chapter viii.)

FOR CLASSROOM DISCUSSION

20. Would a single presidential term of six years be preferable to the present custom of electing a President for not more than two four-year terms?

21. Should the President be chosen directly by the people, without resort to the electoral college?

22. Does Congress exercise too little control over the choice of the President's Cabinet?

23. Advantages and disadvantages of the veto power. (See Munro, *The Government of the United States*, page 119.)

24. Should the President be permitted to veto separate items in a bill?

CHAPTER XLI

THE NATIONAL ADMINISTRATION

520. DEVELOPMENT OF THE FEDERAL EXECUTIVE.—The President is the head of the Federal executive, but in the performance of his

numerous administrative duties he is aided by a number of subordinate officers.

No executive departments were directly established by the Constitution, but that document evidently assumes their existence, for it clearly states that the President "may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices." [Footnote: Article II, Section II, of the Constitution.]

President Washington was authorized by Congress to appoint three assistants: a Secretary of State, a Secretary of the Treasury, and a Secretary of War. With the development of governmental functions, additional departments have been created. Congress established the Post Office Department in 1794, the Navy Department in 1798, the Department of the Interior in 1849, the Department of Justice in 1870, the Department of Agriculture in 1889, the Department of Commerce in 1903, and the Department of Labor in 1913. At present, then, there are ten Federal executive departments, all of them under the direct control of the President.

521. THE CABINET.—The heads of these ten departments are appointed by the President, nominally with the consent of the Senate. They may be removed only by the President, and by him at will. Neither in the Constitution nor in the statutes of Congress is there provision for a Cabinet, but as the

result of custom which has been formulating since Washington's second term the heads of the Federal executive departments have come to constitute, in their collective capacity, the President's Cabinet. Cabinet meetings are generally held twice a week, or oftener, as the President desires.

The American Cabinet should not be confused with the Cabinet in Great Britain and other European countries. In Europe the Cabinet is generally a parliamentary ministry, that is to say, a group of men chosen from the majority party in the legislature. These Cabinet members, or ministers, sit in the legislature, propose laws, and defend their measures on the floor. They are held responsible for the national administration. This means that when the majority of the legislature fails to support them they are expected to resign, in order that the opposition party may form a new Cabinet.

Quite different is the American Cabinet. This body is advisory only, and the President may disregard the advice of any or all of its members. The Cabinet in this country is accountable only to the President. The attitude of Congress toward Cabinet officers has nothing to do with the tenure of office of these executive heads. Cabinet members do not sit in Congress; they do not, in the capacity of Cabinet officers, introduce or defend legislation; and they are not held responsible for the administration.

522. HEADS OF DEPARTMENTS AS

ADMINISTRATIVE OFFICERS.—Collectively the heads of the ten executive departments act as the President's Cabinet; individually they administer their respective departments. Though responsible to the President and at all times working under his direction, the heads of departments are allowed a wide range of independence. Department heads may appoint and remove at will a large number of minor officers in their respective departments, though of late years this power has been considerably restricted by Civil Service rules. The exact scope of the work of the various departments is largely denned by law. Within the limits thus set, the head of the department is free to make regulations affecting the conduct of departmental business. To expedite business, the work of each department is divided and subdivided among numerous bureaus, boards, and commissions, functioning under the general direction of the head of the department.

523. THE DEPARTMENT OF STATE.—Without doubt the most important of the subordinate executive officers is the Secretary of State. His most pressing duty is to conduct foreign affairs in accordance with the wishes of the President. In pursuance of this duty, the Secretary of State issues instructions to diplomatic and consular officers, issues passports to American citizens going abroad, and otherwise exercises control of matters touching foreign relations.

Important domestic duties devolve upon the

Secretary of State. When the President desires to communicate with the Governors of the several states, he acts through the Secretary of State. The Secretary is the custodian of the Great Seal of the United States. It is he who oversees the publication of the Federal statutes. The Secretary of State likewise has charge of the archives containing the originals of all laws, treaties, and foreign correspondence.

Much of the work of the Department of State is performed through bureaus, the titles of which indicate their respective functions. Of these bureaus the following are the more important: the diplomatic bureau, the consular bureau, the bureau of accounts, the bureau of indexes and archives, the bureau of rolls and library, the bureau of appointments, and the bureau of citizenship. Each of these bureaus is headed by a chief who is directly responsible to the Secretary of State. In addition to these chiefs of bureaus, the Secretary is aided by three assistant secretaries of state.

524. DEPARTMENT OF THE TREASURY.—Supervision of the national finances is the chief business of the Secretary of the Treasury. The Secretary annually submits to Congress estimates of probable receipts and expenditures, and supervises the collection of customs and internal revenues. He also issues warrants for all moneys paid out of the treasury.

The scope of the department's work may be indicated by an enumeration of its chief officers. These include the Secretary himself, three assistant secretaries, six auditors, the treasurer, the comptroller of the treasury, the director of the mint, the register, the comptroller of the currency, the commissioner of internal revenue, the director of the bureau of engraving and printing, the chief of the secret-service department, the captain commandant of the coast guard, the superintendent of the life-saving service, the surgeon-general of the public health service, the supervising architect, and the farm loan commissioner.

525. THE DEPARTMENT OF WAR.—National defense is the chief concern of the Secretary of War. Coast fortifications, the supervision of navigation, and river and harbor improvements fall within the scope of the department. Our insular possessions are administered by the Secretary of War. It is also the duty of this officer to prepare estimates of the expenses of his department, to supervise all expenditures for the support and transportation of the army, and to take charge of the issuance of orders for the movement of troops. In addition, he has charge of the Military Academy at West Point, and recommends all appointments and promotions in the army service.

Under the Secretary of War are grouped a number of administrative bureaus, each headed by an army officer detailed for a period of four years. Of these

officers the following are the more important: the inspector-general, the quartermaster-general, the adjutant general, the surgeon-general, the chief of engineers, the chief of ordnance, the chief signal officer, the chief of the coast artillery, the judge advocate general, the provost-marshal general, and the chief of the bureau of insular affairs.

526. THE DEPARTMENT OF THE NAVY.—The Department of the Navy is likewise concerned with national defense. While less important than the Department of War, the Department of the Navy is steadily gaining in prestige. The Department is in charge of a Secretary, aided by an assistant secretary. It is the duty of the Department of the Navy to superintend the construction and armament of war vessels, and in addition exercise a supervisory control over the naval service. The Naval Academy at Annapolis and the Naval War College at Newport are in charge of the Department of the Navy.

The administrative work of the Department is carried on by seven bureaus, most of them in charge of line officers of the Navy, working directly under the Secretary. These bureaus are as follows: the bureau of navigation, the bureau of ordnance, the bureau of yards and docks, the bureau of supplies and accounts, the bureau of steam engineering, the bureau of medicine and surgery, and the bureau of construction and repairs.

527. THE DEPARTMENT OF JUSTICE.—This

Department is headed by the Attorney-General, who acts as the chief legal adviser of the National government. It is his duty to represent the government in all cases to which the United States is a party. It is he who conducts proceedings against corporations or individuals who violate the Federal laws. General supervision over all Federal district attorneys and marshals is exercised by the Attorney-General. This officer likewise examines the titles of lands which the government intends to purchase. The Attorney-General has a supervisory charge of the penal and reformatory institutions which are Federal in character. Applications for pardons by the President are investigated by the Attorney-General. Still another of his duties is to superintend the codification of the Federal criminal laws.

In these various duties the Attorney-General is assisted by an under- officer known as the solicitor-general.

528. THE POST OFFICE DEPARTMENT.—This Department, headed by the Postmaster-General, has general charge of the postal service. The Postmaster-General awards contracts for the transportation of the mails, and directs the management of the domestic and foreign mail service. The handling of money orders, the parcels post system, and the postal savings banks come under the control of the Postmaster- General. Of great importance is the power of this officer to bar from the mails publications which are fraudulent or otherwise

obnoxious.

Working under the Postmaster-General are four assistant postmasters- general, each in general charge of a group of services within the department.

529. DEPARTMENT OF THE INTERIOR.—Aided by two assistant secretaries, the Secretary of the Interior performs a number of important functions. He has charge of all public lands, including national parks. The handling of Indian affairs constitutes one of his duties. The territories of Alaska and Hawaii come under the direct supervision of this department.

Many miscellaneous functions are performed by the various bureaus within the department. Patents, pensions, and the geological survey come within the purview of the department. The Secretary of the Interior has charge of the distribution of government appropriations to various educational institutions. A general supervision over a number of charitable institutions within the District of Columbia is also exercised by this officer.

530. DEPARTMENT OF AGRICULTURE.—All matters pertaining to agriculture in the widest sense are the concern of the Department of Agriculture. Under the direction of the Secretary the Department issues a large number of scientific and technical publications, including the Agricultural Yearbook, the series of Farmers' Bulletins, the Monthly Weather Review, and the Crop Reporter. Quarantine stations

for imported cattle, and the inspection of domestic meats and imported food products are concerns of the various bureaus within the Department. Of great importance is the work of the weather bureau in sending out storm, flood, frost, and drought warnings.

An increasingly important phase of the Department's work is the Forest Service, the work of which has been described in Chapter XXX. An important bureau is the bureau of animal industry, which combats animal diseases and gives advice concerning the best breeds of poultry and cattle. The bureau of plant industry ransacks the world for new crops suitable for our soils, and gives fruit-growers and farmers advice concerning plant parasites. Insect pests are the concern of the entomology division. Additional functions of the Department of Agriculture may be indicated by an enumeration of some of the more important of its remaining bureaus and divisions. These include the bureau of chemistry, the bureau of soils, the bureau of statistics, the bureau of crop estimates, the office of public roads and rural engineering, the Federal horticultural board, and the bureau of markets.

531. THE DEPARTMENT OF COMMERCE.—In 1913 what for ten years had been known as the Department of Commerce and Labor was divided into two separate departments, a Department of Commerce and a Department of Labor.

The chief duty of the Department of Commerce is to foster the foreign and domestic commerce of the United States. To promote our mining, manufacturing and fishing industries, and to develop our transportation facilities are, therefore, among the aims of this department. The census, the coast survey and lighthouses, and steamboat inspection are concerns of the Department of Commerce. The scope of the Department, which is increasing rapidly, may be indicated by an enumeration of the more important bureaus grouped within it. These include the bureau of foreign and domestic commerce, the bureau of census, the bureau of lighthouses, the bureau of coast and geodetic survey, the steamboat inspection service, the bureau of navigation, the bureau of standards, and the bureau of fisheries.

532. THE DEPARTMENT OF LABOR.—Though at present the functions of the Department of Labor are fewer than those of the other Departments, they are being rapidly expanded by the extension of government interest in industry. The Department is concerned with practically all matters which affect labor conditions in the United States.

The Department of Labor collects and publishes information upon all subjects connected with labor and capital, the hours and wages of labor, and methods of improving the condition of the working classes. It seeks to encourage industrial good will, and to adjust labor disputes peaceably. An important bureau within the Department is the bureau of

immigration, which, under the direction of the commissioner- general of immigration, is concerned with the administration of our immigration laws. The bureau of naturalization keeps a record of immigrants, and supervises their naturalization. Of growing importance is the children's bureau, which investigates matters having to do with child labor, infant mortality, orphanage, and the work of the juvenile courts.

533. MISCELLANEOUS BOARDS AND COMMISSIONS.—In addition to the executive departments which have been briefly discussed, the Federal administration includes many independent boards, bureaus, and commissions which perform duties not assigned to any of the ten departments. These agencies have been established from time to time under the authority of Congressional statutes. The chiefs of the bureaus and the members of the boards and commissions are appointed by the President and the Senate, most of them for a term ranging between six and twelve years. These officials are largely experts, who happily are sufficiently exempt from the spoils system to stand a fair chance of surviving a change of administration.

Among the more important of these boards and commissions are the following: The Federal Reserve Board, the Federal Farm Loan Board, the Federal Board for Vocational Education, the Federal Trade Commission, the Interstate Commerce Commission, the United States Tariff Commission, and the Civil

Service Commission. The nature and functions of most of these administrative agencies have been discussed elsewhere in the text, and need not be gone into here.

QUESTIONS ON THE TEXT

1. Trace briefly the development of the Federal executive departments.

2. What is the nature of the President's Cabinet?

3. Contrast the American with the European cabinet.

4. What function do the heads of departments perform individually?

5. What are the chief functions of the Secretary of State?

6. Enumerate the more important officers working under the direction of the Secretary of the Treasury.

7. Describe the work of the Department of War.

8. What are the chief functions of the Secretary of the Navy?

9. What are the chief duties of the Attorney-General?

10. Describe the work of the Post Office

Department.

11. What types of work are the concern of the Department of the Interior?

12. Discuss briefly the work of the Department of Agriculture.

13. What is the function of the Department of Commerce? Of the Department of Labor?

14. Name some of the more important boards and commissions which are independent of the ten executive departments.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter ii.

2. Guitteau, *Government and Politics in the United States*, chapter xxvii.

3. Munro, *The Government of the United States*, chapter ix.

4. Reed, *Form and Functions of American Government*, chapter xxiv.

QUESTIONS ON THE REQUIRED READINGS

1. Outline the duties which are common to the heads of all of the executive departments. (Beard, pages

216-218.)

2. Contrast the National administration with the state administration. (Reed, pages 286-287.)

3. What is the purpose of the Library of Congress? (Reed, pages 298- 299.)

4. Describe the work of the General Land Office under the Department of the Interior. (Guitteau, pages 318-319.)

5. What is the function of the Commissioner of Patents? (Guitteau, page 319.)

6. What are the duties of the Commissioner of Education, under the Secretary of the Interior? (Guitteau, page 320.)

7. Name some of the more important boards and commissions created during the World War. (Guitteau, pages 325-326.)

8. Compare our Department of the Interior with the Department of the Interior in France. (Munro, pages 136-137.)

9. What is meant by the statement that the National administration is decentralized? (Munro, page 142.)

10. Describe briefly the work of the Civil Service Commission. (Beard, pages 222-224.)

TOPICS FOR INVESTIGATION AND REPORT

1. Membership of the President's Cabinet at the present time.

2. The biography of some one member of the President's Cabinet.

3. The work of some bureau or department in the National administration. (Reports on the work of the various departments may be secured by writing to the respective departments at Washington, D. C. See also Fairlie, *The National Administration of the United States of America*.)

4. Compare the National administration with the administrative department in your state, with respect to

(a) Scope of work

(b) Centralization

(c) Efficiency

(d) Control by the people.

II

5. Evolution of the executive. (Gettell, *Introduction to Political Science*, chapter xix.)

6. Functions of the Federal executive. (Kimball,

The National Government of the United States, chapter x.)

7. A history of the President's Cabinet. (Consult an encyclopedia.)

8. Membership of the Cabinet. (Fairlie, *The National Administration of the United States*, chapter iv.)

9. An Englishman's view of the American Cabinet. (Bryce, *The American Commonwealth*, vol. i, chapter ix.)

10. The Department of State. (Fairlie, *The National Administration of the United States*, chapter vi.)

11. The Department of the Treasury. (Fairlie, *The National Administration of the United States*, chapters vii and viii.)

12. The Department of War. (Fairlie, *The National Administration of the United States*, chapter ix.)

13. The Department of the Navy. (Fairlie, *The National Administration of the United States*, chapter x.)

14. The Department of Justice. (Fairlie, *The National Administration of the United States*, chapter xi.)

15. The Post Office Department. (Fairlie, *The National Administration of the United States*, chapter

xii.)

16. The Department of the Interior. (Fairlie, *The National Administration of the United States*, chapters xiii and xiv.)

17. The Department of Agriculture. (Fairlie, *The National Administration of the United States*, chapter xv.)

18. The Department of Commerce. (Fairlie, *The National Administration of the United States*, chapter xvi.)

19. The Department of Labor. (Fairlie, *The National Administration of the United States*, chapter xvi.)

FOR CLASSROOM DISCUSSION

20. The American Cabinet compared with the English Cabinet, (See Munro, *The Government of the United States*, pages 143-145.)

21. Should the President be obliged to act in accordance with the wishes of a majority of his Cabinet?

22. To what extent should promotion in the civil service be on the basis of length of service? To what extent should promotion be determined by periodic examinations?

23. Do you favor the creation of a new executive

department, to be called the Department of Public Welfare?

CHAPTER XLII

NATURE AND POWERS OF CONGRESS

534. CONGRESS CONSISTS OF TWO HOUSES.—The National legislature, or Congress, consists of a Senate or upper chamber, and a House of Representatives or lower chamber.

Several factors are responsible for this division of Congress into two houses. Undoubtedly the framers of the Constitution were influenced by the fact that the British Parliament and nearly all of the colonial legislatures consisted of two houses. A second factor is that in the opinion of the Fathers, a two-chambered legislature would allow each house to act as a check upon the other. Finally, the creation of a two-chambered legislature was necessary in order to reconcile the conflicting desires of the large and the small states. During the Constitutional Convention two opposing factions were brought together by the creation of a two-chambered legislature, in the upper

house of which the states were to be represented equally, and in the lower house of which representation was to be on the basis of population.

A. THE SENATE

535. TERM AND QUALIFICATIONS OF SENATORS.—Two Senators are chosen from each state, regardless of population. The senatorial term is six years. In order to make the Senate a permanent body, membership is so arranged that one third of the Senators retire every two years. The Federal Constitution provides that Senators must be at least thirty years of age. In addition, a Senator must have been nine years a citizen of the United States, and he must be an inhabitant of the state from which he is chosen. The Senate alone is judge of the qualifications of its members.

With respect to the Senate, two disqualifications are imposed by the Federal Constitution. No one holding a Federal office may stand for election as Senator. Nor may any person become a Senator who has taken part in a rebellion against the United States after having taken an oath as a government officer to support the Constitution.

536. THE ELECTION OF SENATORS.—Previous to 1913 Senators were chosen by the various state legislatures, according to the provisions of the Federal Constitution. [Footnote: Article I, Section

III.] This method proved unsatisfactory. Demoralizing political battles often took place in the state legislatures in the effort to select the states' Senators to Congress. Sometimes, even after a long struggle, no candidate was able to secure a majority, and a deadlock occurred. Thus, on the one hand, a state might be deprived of representation in the Senate for weeks or months, while, on the other hand, the attention of the legislature was so distracted by the senatorial struggle that purely state interests suffered. As the result of a long agitation growing out of these evils, the Federal Constitution was amended (1913) to permit the direct election of Senators.

Since 1913, then, any person may vote directly for Senator who, under the laws of his state, is qualified to vote for members of the more numerous branch of the state legislature. When, for any reason, a vacancy occurs in the representation of any state in the Senate, the Governor of the state issues a writ of election to fill such vacancy. Provided the state legislature grants the authority, the Governor also may appoint some person to serve as Senator until the vacancy is filled by popular election. Senators are generally reflected, and at the present time the average term of service is not six, but about twelve years.

537. PRIVILEGES AND IMMUNITIES OF SENATORS.—By the terms of the Constitution, Senators are paid out of the national treasury an

amount to be determined by statute. At present both Senators and members of the House of Representatives receive $7500 a year, plus an allowance for travelling expenses, clerk hire, and stationery. Except in case of treason or breach of the peace, Senators and Representatives are immune to arrest during attendance at the sessions of their respective houses, and in going to and returning from the same. Both Senators and Representatives likewise enjoy freedom of speech and debate in their respective houses. In either chamber only the house itself may call members to account for their statements during the legislative session. No member of Congress may be prosecuted in the courts for libel or slander on account of statements made in Congress, or for the official publication of what he has said during the legislative session.

B. THE HOUSE or REPRESENTATIVES

538. MEMBERSHIP OF THE HOUSE.—Since the Senate is composed of two Senators from each state, its membership has been relatively stable. For a number of years there have been 96 Senators, two for each of the forty-eight states of the Union.

The membership of the House of Representatives, on the other hand, is steadily increasing, because based upon population. The number of Representatives to which any state is entitled depends upon its population as ascertained every ten

years by a Federal census. After each census Congress determines the number of Representatives of which the House shall consist. The population of the United States is then divided by this number, and the quotient is taken as the ratio of representation. The population of each state is then divided by this ratio to discover the number of Representatives to which it is entitled. As a single exception to this rule, the Constitution provides that each state shall have at least one Representative regardless of population. Thus Nevada, Arizona, Wyoming, and Delaware are entitled to one Representative, whereas according to the above rule they would now be denied representation.

The present membership of the House of Representatives is 435.

539. WHO MAY VOTE FOR REPRESENTATIVES.—The Federal Constitution provides that members of the House of Representatives shall be chosen by persons who, in their respective states, are qualified to vote for members of the more numerous branch of the state legislature. Most male and female citizens over twenty-one years of age may vote for members of this more numerous branch, and hence for Representatives to Congress. In a number of states, however, educational, property and other qualifications are imposed. Certain types of criminals, the insane, and the otherwise defective are regularly excluded. [Footnote: For a fuller discussion of the suffrage, see Chapter XXXIII.]

540. QUALIFICATIONS OF REPRESENTATIVES.—The Federal Constitution declares that a Representative must be at least twenty-five years of age. He must have been a citizen for at least seven years, and at the time of his candidacy must also be an inhabitant of the state from which he is chosen. The House itself determines whether or not these qualifications have been met. No state may add to the constitutional qualifications, but through the force of custom a Representative is almost always a resident of the district which he is chosen to represent.

541. ELECTION OF REPRESENTATIVES.—The Federal Constitution permits the legislatures of the several states to regulate the time, manner and place of elections for its Representatives to Congress.

However, the Constitution reserves to Congress the right to alter these regulations at its discretion. This right has been exercised several times. Congressional statute has provided that Representatives shall be elected on the Tuesday following the first Monday in November of even-numbered years, and that the election shall be by written or printed ballot. It is also in accordance with Congressional statute that Representatives are selected on the district plan, one Representative being chosen from each Congressional district in the state. Congress has furthermore provided that these districts shall be of as nearly equal population as possible, and that they shall be composed of "compact and contiguous

territory."

542. THE CONGRESSIONAL DISTRICT.—Subject to the above limitations the legislature of each state may determine the boundaries of its Congressional districts. The state legislature finds it necessary to redistrict the state if the decennial census shows that the population of the state has increased unequally in various sections, or in case the apportionment act of Congress changes the state's representation.

In many cases states have redistricted their territory for illegitimate reasons. The Federal provision with reference to contiguous territory has been loosely interpreted: in many cases territory is held to be contiguous if it touches the district at any point. The requirement that districts shall be of nearly equal population has often been disregarded altogether. Since the state legislature is controlled by the political party having a majority, the dominant party can arrange the district lines so as to secure a party majority in the greatest possible number of districts. This is done by concentrating the opposition votes in a few districts which would be hostile under any circumstances, and so grouping the remaining votes as to insure for the dominant party a majority in numerous districts.

543. GERRYMANDERING.—The result of this illegitimate redistricting has been to create districts of great irregularity. In 1812, when Elbridge Gerry was Governor of Massachusetts, the Republican party

was in control of the state legislature. In districting the state so as to win for themselves as many districts as possible, the Republicans gave one of the Congressional districts a dragon-like appearance. To the suggestion of a famous painter that this looked like a salamander, a local wit replied that it was more nearly a Gerrymander. The term "gerrymander" has since continued to be used to designate this type of illegitimate redistricting. [Footnote: For the relation of gerrymandering to the problem of minority representation, see Chapter XXXV.]

544. TERM OF REPRESENTATIVES.—Representatives are elected for two years, the legal term commencing on the 4th of March following the election. Except in the case of a special session, the actual service of Representatives does not commence until the first Monday in December, thirteen months after election. Members are frequently reŰlected, the average term being about four years. When for any reason a vacancy occurs in the representation from any state, the Governor may, on the authority of the Federal Constitution, issue a writ of election to fill the vacancy. A special election is then held in the district in which the vacancy has occurred, and the Representative so chosen serves for the remainder of the term. [Footnote: The privileges and immunities of Representatives are similar to those of Senators. See Section 537 of this chapter.]

C. THE POWERS OF CONGRESS

545. SPECIAL POWERS OF THE SENATE.—Of the three powers exercised exclusively by the Senate, the power to approve treaties is one of the most important. All treaties negotiated by the President must be approved by a two-thirds vote of the Senate before becoming law. The treaty may be approved or rejected as a whole, or it may be rejected in part, and additional articles recommended as amendments. If changed in form or content by the Senate the treaty does not become law until both the President and the foreign power have assented to the amendment or change.

In order to become valid, a large number of Presidential appointments must receive the approval of the Senate. [Footnote: See Chapter XL, Section 518.]

The Senate exercises a special judicial function in that it may sit as a court of impeachment for the trial of persons whom the House of Representatives has formally charged with treason, bribery, or other high crimes and misdemeanors. Excluding military and naval officers, who are tried by court-martial, and excluding also members of Congress, who are subject only to the rules of their respective houses, all Federal officers are subject to impeachment. Impeachment requires a two-thirds vote of the Senators present. Removal from office and disqualification to hold any office under the United States is the heaviest penalty which can be imposed upon an impeached official.

546. SPECIAL POWERS OF THE HOUSE.—The House likewise enjoys three special powers.

One of these is the right to elect a President of the United States in case no candidate has a majority of the electoral votes. This has happened only twice, in 1800, and again in 1824.

The Federal Constitution provides that all revenue bills must originate in the lower house. However, the Senate has come to share this power through its power to amend such bills.

The House of Representatives has the sole power to prefer charges of impeachment, that is to say, to present what may be called the indictment against the accused official. The case is then tried before the Senate, the House appointing a committee of its own members to act as the prosecuting agency.

547. GENERAL SURVEY OF THE POWERS OF CONGRESS.—The powers of Congress, *i.e.* the two houses acting together, are of two kinds: First, express powers, by which is meant those specifically enumerated in the Federal Constitution; and second, implied powers, by which is meant those which are incident to express powers and necessary to their execution. The foundation of the doctrine of implied powers is the constitutional clause [Footnote: Article I, Section VIII, of the Constitution.] which authorizes Congress to make all laws "necessary and proper" for carrying out the powers granted it by the Federal

Constitution.

Grouping express and implied powers together, the more important powers of Congress may be summarized as follows:

Revenue and expenditures. Congress has the power to lay and collect taxes, duties, imports, and excises, and to appropriate money in order "to pay the debts and provide for the common defense and general welfare of the United States." But indirect taxes must be uniform throughout the United States, and all direct taxes, except income taxes, must be apportioned among the states according to population. A further limitation is that Congress may not tax exports from any state, nor levy upon the "necessary instrumentalities" of any state government.

National defense. Here the powers of Congress are practically unlimited, except by the constitutional provisions that the President shall be commander-in-chief, and that military appropriations shall not be made for more than two years. Congress can raise and support armies, create and maintain a navy, and provide for the organization and use of the state militia. Congress may also declare war, and make rules concerning captures on land and sea.

Foreign relations. Congress as a body has little direct control over foreign relations, though the Senate shares the treaty-making power with the

President. But Congress has the power to create diplomatic and consular posts, as well as "to define and punish piracies and felonies committed on the high seas, and offences against the law of nations." Congress also exercises control over immigration and naturalization.

Economic interests. Congress may regulate commerce with foreign countries, among the several states, and with the Indian tribes. The exclusive power to coin money, and otherwise control the monetary system, is vested in Congress. Congress may make uniform laws on bankruptcy throughout the United States, and fix the standards of weights and measures. The establishment of post offices and post roads, and the protection of authors and inventors through legislation on patents and copyrights, are also functions of Congress.

Territories. Congress has the power to dispose of, and make all needful rules and regulations respecting, the territory or other property belonging to the United States. Congress likewise exercises exclusive control over the District of Columbia, and over all places purchased by the Federal government for the erection of forts, arsenals, and similar buildings. Congress also has the right to determine the admission to the Union of new states, and "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

Crime. In criminal matters the power of Congress is slight. For example, it cannot say what constitutes treason, since that crime is defined by the Constitution. However, Congress may provide for the punishment of counterfeiters and persons committing crimes on the high seas or offences against international law. It may also define certain crimes against Federal law, and prescribe penalties therefor.

Control over the judiciary. The judiciary is an independent branch of government, but Congress may determine the number of Supreme Court judges, fix their salaries within certain limits, and define their appellate jurisdiction. Congress may also determine the jurisdiction, and define the procedure, of the inferior Federal courts.

Implied powers. Last among the powers of Congress is the authority granted to it by the Constitution to make all laws which shall be deemed necessary and proper for carrying into execution the powers expressly granted to Congress by the Constitution. It is under the authority of this clause, that the implied powers of Congress have been so greatly expanded.

QUESTIONS ON THE TEXT

1. What influences are responsible for the fact that Congress is a two-chambered body?

2. Discuss the term and qualifications of Senators.

3. How were Senators elected prior to 1913? How are they elected at the present time?

4. What are the chief privileges and immunities of Senators?

5. Discuss the membership of the House of Representatives.

6. What is the nature of the Congressional district?

7. What are the qualifications for Representatives?

8. Who may vote for Representatives?

9. What is gerrymandering?

10. What three powers are exercised exclusively by the Senate?

11. What are the special powers of the House?

12. Under what two heads may the general powers of Congress be classified?

13. Outline briefly the chief powers of Congress.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xiii.

2. Guitteau, *Government and Politics in the United States*, chapters xxii and xxiii.

3. Munro, *The Government of the United States*, chapter xiv.

4. Reed, *Form and Functions of American Government*, chapter xxi.

QUESTIONS ON THE REQUIRED READINGS

1. What was the Connecticut compromise? (Guitteau, pages 248-249.)

2. Why does the Constitution provide that one third of the Senate shall retire every second year? (Reed, page 255.)

3. What criticism has been brought against the principle of the equal representation of states in the Senate? (Guitteau, page 249.)

4. Compare the growth of the Senate with the growth of the House of Representatives. (Reed, page 258.)

5. What is the relative position of the two houses of Congress? (Reed, pages 257-258.)

6. What is the right to "frank"? (Reed, page 258.)

7. What are the "supplementary" powers of Congress? (Munro, page 217.)

8. What are the powers of Congress with respect to weights and measures? (Beard, page 259.)

9. What was Jefferson's attitude toward the powers of Congress? (Munro, page 209.)

10. What is the scope of the implied powers of Congress? (Munro, page 214.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Congressional districts in your state.

2. The biography of one of the Senators representing your state in Congress.

3. Make a study of your Representatives in Congress, with respect to their age, length of service, political principles, and attitude toward such national questions as the tariff, military defense and taxation.

4. A brief comparison of Congress with your state legislature.

II

5. Place of the Senate in our National government. (Reinsch, *Readings on American Federal Government*, pages 127-134.)

6. The House of Representatives in the United States compared with the British House of Commons.

(Kaye, *Readings in Civil Government*, pages 149-155.)

7. Gerrymandering. (Beard, *Readings in American Government and Politics*, pages 219-220; see any other standard text on American Government.)

8. The immunities of Congressmen. (Cleveland, *Organized Democracy*, chapter xxvii.)

9. Relation of the two houses of Congress. (Bryce, *The American Commonwealth*, vol. i, chapter xviii.)

10. The Senate as a judicial body. (Bryce, *The American Commonwealth*, vol. i, chapter x.)

11. Constitutional limitations on the powers of Congress. (Munro, *The Government of the United States*, chapter xx.)

12. Relation of Congress to the President. (Bryce, *The American Commonwealth*, vol. i, chapter xx.)

13. The war powers of Congress. (Any standard text on American government.)

14. The taxing power of Congress. (Any standard text on American government.)

15. Other financial powers of Congress. (Any standard text on American government.)

16. The power to regulate commerce. (Any standard text on American government. An excellent reference is Munro, *The Government of the United*

States, chapter xvii.)

17. The postal powers of Congress. (Young, *The New American Government and its Work*, chapter xiii.)

18. The control of Congress over territories. (Kimball, *The National Government of the United States*, chapter xxii. See also any other standard work on American government.)

FOR CLASSROOM DISCUSSION

19. Direct versus indirect election of Senators.

20. To what extent, if to any, should Congressmen consider the needs of their local district as of more importance than the needs of the nation as a whole?

21. Should the interval between the election of Representatives and the meeting of Congress be shortened?

22. Should we retain equal representation of states in the Senate, or should this principle be discarded as "undemocratic"?

CHAPTER XLIII

CONGRESS IN ACTION

A. ORGANIZATION OF CONGRESS

548. CONGRESSIONAL SESSIONS.—The Federal Constitution requires Congress to assemble at least once a year, and Congress has provided that the date of meeting shall be the first Monday in December. In addition to such special sessions as may be called either by the President or by Congress itself, there are two regular sessions. One of these is the long session, from December of each odd year until Congress adjourns, generally sometime during the following summer. The other is the short session, beginning when Congress assembles in December of each even year, and ending at noon on the 4th of March following.

The two houses of Congress jointly fix the time for adjournment, but in case they cannot agree upon this point, the President has the right to adjourn them to such time as he thinks fit. During the congressional

session, neither house may, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two houses are sitting. Since 1800 congressional sessions have regularly been held at Washington, D. C., the National capital.

549. INTERNAL ORGANIZATION.—Each house of Congress has the right to determine its own rule of practice, punish members for disorderly conduct, and, by a two-thirds vote, expel a member. Members guilty of acts of violence or abusive language may be punished by a vote of censure, or may be obliged to apologize to the house. For the commission of a grave offense, a Congressman may be expelled from the house to which he was elected.

The Constitution requires that "each house shall keep a journal of its proceedings, and from time to time publish the same, excepting such parts as may in their judgment require secrecy; and the yeas and nays of the members of either house shall, at the desire of one fifth of those present, be entered upon the journal." The object of this is to secure a permanent record of legislative action, as well as publicity of proceedings. The vote by yeas and nays fixes responsibility for his vote upon each member by making it a matter of public record. The *Congressional Record*, an official account of Congressional debates and proceedings, appears daily during Congressional sessions. This is supposedly a verbatim report of what is said in each

house, but as a matter of fact members are allowed to edit and revise their remarks before these are printed. In the case of the House, many of the published speeches have never been delivered at all.

550. THE OFFICERS OF CONGRESS.—In the House of Representatives the chief officer is the Speaker, or presiding officer. The Speaker is chosen from the membership of the House by that body itself. As will be pointed out shortly, this officer is an important personage.

In the Senate the Vice President of the United States acts as the presiding officer. In the absence of the Vice President, or in case that officer succeeds to the Presidency, the Senate itself chooses a president *pro tempore* to occupy the chair. The presiding officer of the Senate is much less powerful than the Speaker of the House, indeed he is little more than a chairman or moderator.

There are a number of additional officers of Congress, who are chosen by the respective houses from outside their own membership. These officers include a clerk, who in the Senate is called the secretary; the door-keeper; the sergeant-at-arms; the postmaster; and the chaplain. Nominally these officers are chosen by each house, but as a matter of practice the choice is made by the caucus of the majority party, which is held a few days before the organization of each house.

551. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.—A few days before the organization of the House, the caucus of the majority party settles upon its choice for Speaker. The candidate chosen invariably receives the solid vote of his party in the House, since it is a rule of the caucus that party members who take part in its discussions must abide by its decisions.

As chairman of the House, the Speaker performs the customary duties of a presiding officer. He opens and closes the sittings of the House, maintains order, and decides questions of parliamentary law. The Speaker acts as the official representative of the House in its collective capacity, and authenticates all official proceedings by his signature. It is he who announces the order of business, states the question, and announces the vote. He also has the right to appoint the chairman of the committee of the whole. The Speaker takes part in debate and may also vote.

552. POWER OF THE SPEAKER OVER LEGISLATION.—In addition to performing the customary duties of a presiding officer, the Speaker possesses important powers over legislation. The imperfect organization of the House, and its lack of effective leadership, as well as the vast amount of business coming before it, have tended to centralize much of the legislative power of the House in the hands of this officer.

The Speaker of the House has the power to

determine to which committee a bill shall be referred. Thus he may determine the fate of a measure by sending it to a committee which he knows to be hostile to the bill, or to a friendly committee, just as he likes.

It is the Speaker who decides when a member is entitled to the floor, and no motion or speech can be made except by a member who has been duly recognized by the chair. There are a number of unwritten rules in this regard, but in the last analysis the Speaker may recognize only persons whom he desires to have speak. Thus Congressmen who are not of the Speaker's party may be kept from making themselves heard upon important measures. When a bill is before the House, the chairman of the committee in charge of the measure usually hands the Speaker a list of Congressmen who are to be heard upon the floor. By recognizing only those whose names appear on this list, the Speaker may confine the discussion to members who are favored by himself and his party.

The Speaker has the power to decide points of order, and otherwise to deal with such obstructions to legislative business as the filibustering tactics of the minority party. Often this power is exercised in connection with the quorum. The quorum or number of members who must be present in order that business may be transacted, is fixed by the Constitution as a majority of each house. Formerly it was the habit of minority members to remain silent

at roll-call, so that if several members of the majority party were absent, it might be that no quorum would appear. In such a case legislative business would be blocked. But in 1890 Speaker Reed adopted the practice, since become invariable, of counting as present members actually in the House, whether or not they respond to their names at roll-call. The Speaker also checks filibustering by disregarding all motions and appeals which he thinks are made simply for the purpose of obstructing legislative business.

553. THE COMMITTEE ON RULES.—Of great importance in the House is the committee on rules. This committee has the power to decide upon the order for considering bills, and to determine the length of debates. It also determines the time when the vote shall be taken. This it does by "reporting a rule," that is to say, by presenting a report as to the time and conditions under which the House shall consider a measure. This report takes precedence over all other business. Thus the fate of a bill may be determined by the committee on rules.

Previous to 1910 this committee consisted of the Speaker, and two majority and two minority members named by the Speaker. But in the 61st Congress, there occurred what has been called the "revolution of 1910." This "revolution" opposed Speaker Cannon's policy of using for personal and partisan purposes his power to appoint the other members of the committee on rules. As the result of a

violent agitation the House finally placed marked restrictions upon the Speaker's control over the committee. The membership of the committee on rules was increased, first to ten, and then to twelve. Of these twelve members eight belong to the majority party and four are minority members. The committee is no longer chosen by the Speaker, but is selected by the House itself. The Speaker is even excluded from membership in the committee.

554. THE CONGRESSIONAL COMMITTEE SYSTEM. [Footnote: For a discussion of the advantages and disadvantages of the committee system see Chapter XXXVI.]—In both houses of Congress the assembly is divided into a number of committees, each of which is charged with the consideration of legislation dealing with particular subjects. Previous to 1911 the Speaker appointed all House committees, but since that date all committees have been chosen by the House as a body, though in practice the decisions are made by the caucuses of the majority and minority parties, held just before the organization of the House. Similarly, the Senate chooses its own committees from lists drawn up by the caucuses of the two political parties. In either house, the minority party has such representation upon committees as the majority party chooses to allow. There are in the House more than fifty of these committees, while in the Senate the number is even larger. In the House of Representatives the more important committees are those on rules, ways

and means, appropriations, judiciary, banking and currency, interstate and foreign commerce, and rivers and harbors.

B. THE MAKING OF A FEDERAL LAW [Footnote: A more detailed account of the law-making process may be found in Reed, *Form and Functions of American Government*, Chapter XXII.]

555. HOW LEGISLATION IS INITIATED.—The course of congressional legislation may be illustrated by following a bill through the House of Representatives.

Any member of the House may introduce a bill by filing it with the clerk. The title of the bill is printed in the *Journal and Record*, this constituting a first "reading." The bill is then delivered to the Speaker, who refers it to the proper committee. Once a bill has been passed to the committee its fate rests largely with that body. The committee may confer with certain administrative officers, listen to individuals interested in the subject, summon and examine other persons, and then reach a decision upon the bill. The committee may amend the bill as it pleases. If unfavorable to the measure, the committee may report it adversely, or too late for legislative action. Indeed, it may even fail to report it at all. Theoretically the House may overrule the committee's decision on a bill, but so generally are the committee's recommendations followed by the

House that the adverse action of the committee virtually kills a bill.

556. THE BILL IS REPORTED TO THE HOUSE.—Let us suppose that the committee reports the bill back to the House. The measure is then placed upon a calendar and here awaits its turn, unless the committee on rules sees fit to direct the immediate attention of the House to it. The second reading is an actual and full reading of the bill for the purpose of allowing amendments to be offered. After the second reading, which may result in the adoption of amendments, the Speaker puts the motion, "Shall the bill be engrossed and read a third time?" Debate is then in order. If the vote which follows is in the affirmative, the bill is read a third time, but only by title. The question of passage is put by the Speaker immediately after the third reading.

557. DEBATE UPON THE BILL.—Debate in the House of Representatives has little influence upon most bills, the fate of a measure being practically determined by the committee considering it. Most speeches are frankly intended for political purposes, and for circulation in the Congressional Record, rather than as actual and positive influences upon the bill which is being discussed.

Debate in the House is limited in several ways. No member may spend more than an hour in debate upon any question, except the member in charge of the bill. This member may have an additional hour at

the close. In the committee of the whole, speeches are limited to five minutes. No member may speak more than once on the same subject without special permission from the chair. The single exception to this rule is the member who has introduced the bill. Before debate begins, the chairman of the committee in charge of the bill arranges, in consultation with the Speaker, a list of members who are to be heard upon the bill. No other members are ordinarily recognized by the Speaker in the ensuing debate.

After a certain amount of discussion the member in charge of the bill will generally move the previous question in order to cut short the debate and bring the House to a direct vote upon the question.

558. THE VOTE.—In the House voting may be by any one of three methods. Voting may be by "sound of voices." In this case the Speaker calls in turn for the "ayes" and "noes," and decides by the volume of the sound whether the motion has been carried or lost. This is usually the method first employed, but either of the other two methods may be demanded before or after voting by sound of voices has been employed.

Voting may be by tellers. When this is decided upon the members pass between tellers appointed by the Speaker—those in the affirmative first—and are counted. This method requires the demand of one fifth of a quorum.

Voting may be by yeas and nays. In this event, the clerk calls the roll and each member, as his name is reached, answers "aye" or "no," the vote then being recorded. The Constitution provides that one fifth of the members present may demand the yeas and nays. Since it takes a long time to call the roll of the House, demands for roll-calls are frequently employed by minorities with the intent of obstructing legislative business.

559. THE BILL GOES TO THE SENATE.—A bill defeated in the House never reaches the Senate, of course.

But if it receives a majority vote in the House, it is engrossed and sent to the Senate. Here the bill goes through practically the same stages as in the House. [Footnote: In the Senate, however, debate is unlimited.]If the Senate rejects the bill, the measure is dead. If the Senate passes the bill without amendment, it is returned to the House, and enrolled on parchment for signature by the President. If the Senate amends the bill, the bill and the attached amendments are returned to the House. If the House disagrees with the proposed changes, it may either ask for an inter-house conference, or it may simply send a notice of its disagreement to the Senate. In the latter case, the Senate either reconsiders its amendments, or asks for a conference. In case of a conference, each house appoints an equal number of "managers," who arrive at some sort of compromise, and embody this in a report. This report is acted

upon by each house in separate session.

560. THE BILL GOES TO THE PRESIDENT.—Bills killed in Congress never reach the President, but a measure duly approved by both houses is then sent to the chief executive for his approval. If he signs it, the bill becomes law. If he does not approve it, he may return it with his objections to the house in which it originated. If this house votes for the passage of the measure by a two-thirds majority, and if this action is concurred in by the other house, the measure becomes law over the veto of the President. If the President neither signs nor returns the measure within ten days, it automatically becomes law. However, measures reaching the President during the last ten days of the congressional session become law only if signed by him. His failure to sign a bill reaching him under these circumstances constitutes a "pocket veto."

QUESTIONS ON THE TEXT

1. Distinguish between the two regular sessions of Congress.

2. Describe the internal organization of the houses of Congress.

3. Name and briefly characterize the chief officers of Congress.

4. What are the customary duties of the Speaker of

the House?

5. By what means does the Speaker influence legislation?

6. What is the nature and function of the committee on rules? What changes in the character of this committee occurred in 1910?

7. Outline the organization of the Congressional committee system.

8. How may a bill be introduced into the House of Representatives?

9. Outline the steps in enacting a Federal law.

10. Discuss the nature and limits of the Presidential veto.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xiv.

2. Guitteau, *Government and Politics in the United States*, chapter xxiv.

3. Munro, *The Government of the United States*, chapter xxi.

4. Reed, *Form and Functions of American Government*, chapter xii.

QUESTIONS ON THE REQUIRED READINGS

1. What is the relation of party organization to leadership in Congress? (Beard, pages 267-269.)

2. Discuss the constitutional rights of the minority in the House of Representatives. (Beard, pages 288-289.)

3. What is the influence of the Senate upon our national financial policy? (Munro, pages 307-308.)

4. What are the chief advantages of the committee system? (Guitteau, pages 275-276.)

5. What are the chief defects of this system? (Guitteau, pages 275- 276.)

6. What effect has the practice of unlimited debate in the Senate had upon legislative business? (Beard, pages 275-276.)

7. What is one of the most important defects of Congressional legislation? (Munro, pages 310-311.)

8. What is the "morning hour"? (Reed, page 273.)

9. What is done with a bill which the President has signed? (Reed, page 277.)

10. To what extent is Congress responsive to Public Opinion? (Munro, page 299.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Compare the internal organization of Congress with the organization of your state legislature.

2. Compare the officers of Congress with the officers of your state legislature.

3. Compare the committee system of Congress with the committee system in your state legislature.

4. Compare the practice of debate in the National House of Representatives with the use of debate in the lower house of your state legislature.

5. Compare Congress with your state legislature with respect to volume of legislation.

6. The business of Congress. (McCall, *The Business of Congress*.)

7. Rules of the Senate. (*Manual of the Senate*.)

8. The Senate at work. (Bryce, *The American Commonwealth*, vol. i, chapter xii.)

9. Rules of the House of Representatives. (*Manual of the House of Representatives*.)

10. The Speaker of the House. (Follett, *The Speaker of the House of Representatives*.)

11. Leadership in the House. (Beard, *American Government and Politics*, pages 280-286.)

12. The career of Speaker Clay, Blaine, Reed, or Cannon. (Consult an encyclopedia, or special biographies of these Speakers.)

13. The House of Representatives at work. (Bryce, *The American Commonwealth*, vol. i, chapter xiv.)

14. Congressional finance. (Bryce, *The American Commonwealth*, vol. i, chapter xvii.)

15. The committee system in Congress. (Bryce, *The American Commonwealth*, vol. i, chapter xv; McCall, *The Business of Congress*, chapters in and v.)

16. An Englishman's view of legislation in the Congress of the United States. (Bryce, *The American Commonwealth*, vol. i, chapter xvi.)

FOR CLASSROOM DISCUSSION

17. Should the Speaker of the House be deprived of the power to refer bills to whatever committee he chooses?

18. Should the powers of the presiding officer of the Senate be increased?

19. Is debate in the House of Representatives too greatly restricted?

20. Should the privilege of "franking" be restricted?

21. Should the President's power to veto bills be extended? Should it be restricted?

CHAPTER XLIV

THE FEDERAL COURTS

A. FRAMEWORK OF THE FEDERAL COURTS

561. CONSTITUTIONAL BASIS OF THE FEDERAL JUDICIARY.—The Federal Constitution makes only slight reference to the structure of the Federal courts. It merely provides that the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as Congress may from time to time ordain and establish.

In accordance with this provision, Congress in 1789 passed the Judiciary Act, which still forms the basis of our Federal judicial system. The Judiciary Act provided for the organization of the Supreme Court, and also created a system of circuit and district courts. It likewise distributed Federal jurisdiction among the three grades of courts,

established the office of Attorney General, and provided for a Federal marshal in each judicial district. In order to relieve the Supreme Court of part of its appellate jurisdiction, Congress in 1891 created nine circuit courts of appeals. In 1912, Congress abolished the circuit courts which had been established by the Act of 1789.

At the present time, thus, there are three grades of Federal courts: the Supreme Court, nine circuit courts of appeals, and eighty-one district courts. In addition there are several special Federal courts.

562. FEDERAL JUDICIAL AGENTS.—All Federal judges are appointed by the President, subject to confirmation by the Senate. They hold office for life, or during good behavior. Since Federal judges can be removed from office only by impeachment, they are relatively independent, both of the appointing power and of the popular will.

Judges receive salaries which may be increased, but which cannot be diminished, during their term of office. Each of the eight associate justices of the Supreme Court receives an annual salary of $14,500, while the Chief Justice receives $14,900 a year. Circuit judges receive a salary of $7000 a year. Each district court judge receives $6000 a year. Upon reaching the age of seventy years, any Federal judge who has held his commission for at least ten years, may resign and continue to draw full salary during the remainder of his life.

Some additional judicial agents may be mentioned. In each Federal judicial district there is an United States marshal, who is charged with the duty of enforcing the orders of the court. There is also in each district a Federal prosecutor, who has the title of United States district attorney. It is this officer who institutes proceedings against persons violating Federal law. Both marshals and district attorneys work under the direction of the Attorney-General of the United States.

563. THE SUPREME COURT.—At the head of the Federal judicial system stands the Supreme Court. This tribunal holds its annual sessions at Washington, D. C., usually from October until May. By far the most important business coming before this court involves questions of constitutional law. [Footnote: Jurisdiction over questions of constitutionality is a form of appellate jurisdiction. In addition, the Supreme Court has original jurisdiction in (1) cases affecting diplomatic and consular officers, and (2) cases to which a State is a party. In practice, however, the original jurisdiction of the Supreme Court has been relatively unimportant.] Cases involving questions of constitutionality are always brought up to the Supreme Court, from either the lower Federal courts, or from the state courts. Cases of this kind are brought before the Supreme Court either on appeal or by writ of error.

When a case is submitted to the Supreme Court, each justice makes an independent study of it, and a

conference is then held, in which the various sides of the question are discussed and a decision reached. The Chief Justice then requests one of his colleagues to prepare the "opinion of the court," containing the conclusions reached by the majority. In important cases, the disagreeing minority prepares a "dissenting opinion," setting forth their reasons for believing that the case should have been decided otherwise. This dissenting opinion does not, however, affect the validity of the decision reached by the majority of the justices.

564. THE CIRCUIT COURT OF APPEALS.—The United States is divided into nine circuits, in each one of which a Circuit Court of Appeals exercises jurisdiction. The Circuit Court consists of three judges. As a general proposition this court has appellate jurisdiction to review the decisions of the district courts, but in some instances cases may be taken from the district courts directly to the Supreme Court of the United States. In cases in which jurisdiction results from the fact that the suit is one between an American citizen and an alien, or between citizens of different states in the Union, the decision of the Circuit Court of Appeals is generally final. The jurisdiction of this court is also final in all cases arising under the revenue, patent, and copyright laws of the United States.

565. THE DISTRICT COURT.—The lowest of the regular Federal courts is the District Court. One of these courts exists in each of the eighty- one districts

into which the country is divided. For each district court there is generally a separate district judge, who holds court at one or more places within the district.

The matters which may be brought before a Federal District Court are various. Among other things, the jurisdiction of the court extends to all crimes and offenses cognizable under the authority of the United States, cases arising under the internal revenue, postal and copyright laws, proceedings in bankruptcy, all suits and proceedings arising under any law regulating immigration, and also all suits and proceedings arising under any law to protect trade and commerce against monopoly.

566. SPECIAL FEDERAL COURTS.—Besides the three sets of Federal courts described above, Congress has from time to time created a number of special courts.

The Court of Claims was created in 1855. It consists of five justices, sitting at Washington, and exercising jurisdiction over cases involving claims against the United States.

In 1911 Congress created the Court of Customs Appeals, consisting of five judges who may review the decisions of the Board of General Appraisers with respect to the classification and taxation of imports.

Congress has also provided a system of territorial courts to handle cases arising in the territories and in

the District of Columbia.

Courts-martial for the trial of military and naval offenses have also been provided for by congressional statute.

B. THE FEDERAL COURTS IN ACTION

567. JURISDICTION OF THE FEDERAL COURTS.—The Federal courts exercise limited, rather than general, jurisdiction. That is to say, they have authority to try only such cases as are specifically placed within their jurisdiction by the Constitution, or by congressional statute. Cases falling within the jurisdiction of the Federal courts may be grouped under two heads: First, cases affecting certain parties or persons, and second, cases relative to certain matters.

Under the first head may be grouped cases affecting ambassadors, other diplomatic representatives, and consuls. In the same group are controversies to which the United States is a party, controversies between two or more states, controversies between a state and the citizens of another state, controversies between citizens of different states, and controversies between a state, or the citizens thereof, and foreign states, citizens or subjects thereof.

Under the second head fall three types of cases: First, controversies between citizens of the same

state claiming lands under grants of different states. Second, cases of admiralty and maritime jurisdiction, and third, cases in law or equity arising under the Constitution or laws of the United States, or treaties made under their authority.

568. THE WRIT OF HABEAS CORPUS. [Footnote: For the general arrangement of the material in Sections 568-570, I am indebted to Professor Beard's *American Government and Politics*, to which text acknowledgment is here made.]—In the exercise of their judicial functions the Federal courts have the power of issuing three great writs affecting the rights of citizens.

Of these the most famous is the writ of *habeas corpus*. This writ is designed to secure to any imprisoned person the right to have an immediate preliminary hearing for the purpose of discovering the reason for his detention. Where the writ is properly issued, the prisoner is brought into court for a summary examination. If it is found that he has been detained in violation of law, he is released; if not, he is remanded for trial.

Federal judges may not issue writs of *habeas corpus* indiscriminately. A writ can be issued only in the following cases: First, when a prisoner is in jail under Federal custody or authority; second, when an individual is in jail for some act done or omitted in pursuance of a law of the United States or the order, process, or decree of some Federal court or judge;

third, when an individual has been detained because of violation of the Constitution or some law or treaty of the United States; and fourth, when a citizen of a foreign country claims to be imprisoned for some act committed with the sanction of his government.

569. THE WRIT OF MANDAMUS.—The writ of mandamus may be used against public officials, private persons, and corporations, for the purpose of forcing them to perform some duty required of them by law. Properly used, the writ of mandamus is called into action to compel executive officers to perform some administrative duty. The court will not intervene, however, where the duty is purely discretionary and its performance dependent either upon the pleasure of the official, or upon his interpretation of the law. Usually the applicant for a writ of mandamus must show that he has no other adequate legal remedy, and that he has a clear legal right to have the action in question performed by the officer.

570. THE WRIT OR BILL OF INJUNCTION.—This writ may be of several distinct types. It may take the form of a mandatory writ, ordering some person or corporation to maintain a *status quo* by performing certain acts. For example, striking railway employees may be ordered to continue to perform their regular and customary duties while remaining in the service of their employer.

The injunction may take the form of a temporary

restraining order forbidding a party to alter the existing condition of things in question until the merits of the case have been decided. This is often used in labor disputes.

Sometimes the writ is in the form of a permanent injunction ordering a party not to perform some act, the results of which cannot be remedied by any proceeding in law. This, too, has often been used in labor disputes.

571. JUDICIAL INTERPRETATION OF THE STATUTES.—The crowning feature of the American judiciary is its power to pass upon the constitutionality of state and Federal laws. The Constitution does not give to the courts the power to declare state or Federal statutes invalid on the ground that they conflict with the Federal Constitution, but in the famous case of Marbury *v.* Madison in 1803, Chief Justice Marshall demonstrated that under the Constitution the Supreme Court must possess the power of declaring statutes null and void when they conflict with the fundamental law of the land. In deciding against the validity of a law, the court does not officially annul it, but merely refuses to enforce the statute in the particular case before the court. Thereupon, the executive officials who might be charged with the administration of that particular law, neglect to enforce it.

572. GENERAL POLICY OF THE FEDERAL

COURTS.—The Federal courts have consistently refused to decide abstract questions not presented in the form of a concrete case between parties to an actual suit. The Supreme Court, for example, will take no notice of a statute until the question of its constitutionality arises in the form of a concrete case.

The Federal courts have consistently refused to interfere in purely political questions, the decision of which rests with executive or legislative authorities. For example, the court will not touch questions of the existence of war or peace, or the admission of a new state into the Union.

In reaching a decision, two forces are brought to bear upon the courts. First, the character of previous decisions in similar or analogous cases influences a decision. Second, important consideration is given the demands of justice or equity in the particular case in hand, regardless of precedent. Generally speaking judicial decisions strike a course midway between these two extremes.

QUESTIONS ON THE TEXT

1. What does the Federal Constitution say concerning the structure of the Federal courts?

2. What act forms the basis of our Federal judicial system?

3. How are Federal judges chosen, and what are

their salaries?

4. Name some judicial agents other than judges.

5. What is the nature and function of the Supreme Court?

6. What is the nature and function of the Circuit Court of Appeals? Over what cases has it jurisdiction?

7. What matters may be brought before the District Court?

8. What is the purpose of the Court of Claims?

9. Name some other special Federal courts.

10. What two classes of cases fall within the jurisdiction of the Federal courts?

11. What is the nature and purpose of the writ of *habeas corpus*?

12. What is the purpose of the writ of mandamus?

13. What three forms may the writ or bill of injunction take?

14. What is the crowning feature of the American judicial system?

15. Outline the general policy of the Federal courts.

16. What two forces help determine a decision?

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xv.

2. Guitteau, *Government and Politics in the United States*, chapter xxviii.

3. Munro, *The Government of the United States*, chapter xxiv.

4. Reed, *Form and Functions of American Government*, chapter xxiii.

QUESTIONS ON THE REQUIRED READINGS

1. Into what two branches may law be divided? (Munro, page 355.)

2. What is equity? (Munro, page 351.)

3. What are the judicial functions of the Attorney-General of the United States? (Beard, page 300.)

4. What different grades of law are administered in the Federal courts? (Guitteau, page 338.)

5. Discuss the part played by partisan politics in judicial decisions. (Beard, pages 310-312.)

6. What classes of people are exempted from jury

service? (Munro, page 354.)

7. Distinguish between the original and the appellate jurisdiction of the Supreme Court. (Guitteau, pages 334-335.)

8. How are cases presented to the Supreme Court? (Beard, page 296.)

9. What is the significance of the Marbury v. Madison case? (Reed, page 284.)

10. Name some other historical decisions which have been handed down by the Supreme Court. (Guitteau, pages 339-340.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Make a study of the Federal judicial district in which you live, with respect to territory embraced in the district, names and powers of Federal judicial agents, etc.

2. If possible, visit a near-by Federal court and observe the conduct of a trial.

II

3. The American doctrine of judicial supremacy. (Haines, *The American Doctrine of Judicial*

Supremacy.)

4. The American system of courts compared with the European system of courts. (Bryce, *The American Commonwealth*, vol. i, chapter xxv.)

5. Restraints on judicial officers in the United States. (Cleveland, *Organized Democracy*, chapter xxxiii.)

6. Procedure in the United States Supreme Court. (Reinsch, *Readings on American Federal Government*, pages 716-717.)

7. The courts and the Constitution. (Beard, *The Supreme Court and the Constitution*; Bryce, *The American Commonwealth*, vol. i, chapter xxiii.)

8. The constitutionality of government regulation of commerce, (Goodnow, *Social Reform and the Constitution*, chapter vi.)

9. Attitude of the courts toward social legislation. (Goodnow, *Social Reform and the Constitution*, chapter viii.)

10. The Marbury v. Madison case. (Consult an encyclopedia.)

11. The Dartmouth College case. (Consult an encyclopedia.)

12. The life of John Marshall. (Consult an encyclopedia.)

13. Characteristics of a good judge. (Kaye, *Readings in Civil Government*, pages 247-250.)

14. Evolution of the judiciary. (Gettell, *Introduction to Political Science*, chapter xx.)

15. Relation of the judiciary to the executive branch of government. (Gettell, *Introduction to Political Science*, chapter xx.)

16. Relation of the judiciary to the legislative branch of government. (Gettell, *Introduction to Political Science*, chapter xx.)

FOR CLASSROOM DISCUSSION

17. Should Federal judges enjoy life terms, or should their terms of service be limited to a specific number of years?

18. Did the framers of the Constitution intend that the Supreme Court should pass upon the constitutionality of Acts of Congress? (See Beard, *The Supreme Court and the Constitution*.)

19. Do you believe that there should be any restriction upon the present power of the Supreme Court to pass upon the constitutionality of Acts of Congress?

20. In the leading European countries what corresponds to our Supreme Court is divided into a

number of sections. Do you believe that our Supreme Court ought to be reorganized on a similar plan? (See Munro, *The Government of the United States*, page 369.)

B. STATE AND LOCAL GOVERNMENT

CHAPTER XLV

CONSTITUTIONAL BASIS OF STATE GOVERNMENT [Footnote: For a fuller discussion of the constitutional basis of state government, see Chapter XXII of Beard's *American Government and Politics*.]

573. CONSTITUTIONAL LIMITATIONS ON STATE GOVERNMENTS.—Under the Articles of Confederation the states exercised practically sovereign powers; in the interests of a strong National government the Constitution adopted in 1789 distinctly limited the scope of state government. The Federal Constitution transferred many important powers from the states to the Federal government, and imposed certain specific

limitations upon state governments. The more important of these limitations are as follows:

No state may, without the consent of Congress, lay or collect imposts and duties upon exports and imports. The single exception to this constitutional prohibition is that a state may lay such imports or duties as are absolutely necessary for executing its inspection laws. No state may lay a tonnage duty without the consent of Congress.

No state may levy a tax on the property, lawful agencies, or instrumentalities of the Federal government. This is not a constitutional limitation, but was deduced by Chief Justice Marshall from the nature of the Federal system. In recent years, however, this doctrine has been modified to mean that no state may tax a federal instrumentality if such a tax would *impair its efficiency in performing the function which it was designed to serve.*

States may legislate concerning local commercial matters, but no state may interfere with interstate commerce. No state may pass any law impairing the obligation of contracts. The states have practically no control over the monetary system. They may not coin money, emit bills of credit, or make anything but gold and silver coin legal tender. States may charter and regulate state banks, however, and may also authorize a state bank to issue notes for circulation.

No state may make or enforce any law which

abridges the privileges or immunities of citizens of the United States. No state shall pass any bill of attainder, by which is meant a legislative act which inflicts punishment upon some person without ordinary judicial trial. Nor may any state pass an *ex post facto* law, that is to say, a law which imposes punishment for an act which was not legally punishable at the time when it was committed. Lastly, no state may deprive any citizen of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the law.

574. POWERS OF STATE GOVERNMENTS.—Federal law is the highest law of the land, and no state constitution, state statute, or local law or ordinance, may contravene it. But beyond this restriction, the authority of the state is supreme. Just as state government must defer to Federal authority, so local government is subservient to state authority. Just as the Federal Supreme Court may declare unconstitutional any executive or legislative act, either of the National, state, or local authorities, so the Supreme Court of any state may declare null and void the acts of state or local authorities which conflict with its constitution. Though they are limited by the Federal Constitution in matters which are preeminently national, the states reserve to themselves a vast body of authority. Almost all of the ordinary activities of life are controlled by state or local governments, rather than by the Federal

government.

575. CLASSIFICATION OF STATE CONSTITUTIONS: ACCORDING TO AGE.—Each of the forty-eight states in the Union has a written constitution. To bring out the fundamental similarities and differences among the various state constitutions, these documents may be classified in two ways, first as to age, and second, in the light of democratic development.

If state constitutions are classified on the basis of age, it will be noted that the constitutions of Massachusetts, Connecticut, Rhode Island, and other New England states show signs of having been strongly influenced by colonial precedents. Next come constitutions which in form and general content stand midway between the earlier New England constitutions and those of more recent years. The constitutions of New York (1894), Pennsylvania (1873), Indiana (1851), Wisconsin (1848), Kentucky (1891), Minnesota (1857), and Iowa (1857), are examples. Next come those constitutions of the southern states which have been revised within the last quarter of a century. Finally, we may note that California, Oregon, Oklahoma and a few other western states have recently drafted new constitutions in which there has been a more or less radical departure from the precedents set in the older commonwealths.

576. CLASSIFICATION OF STATE

CONSTITUTIONS: IN THE LIGHT OF DEMOCRATIC DEVELOPMENT.—Between 1776 and 1800 American state constitutions were generally brief and conservative. Between 1800 and 1860 the growing tendency toward democratic control resulted in the formation of state constitutions which were more and more liberal. During this period fear of the masses was superseded by distrust of the executive and an unbounded faith in the people acting in their collective capacity. The suffrage was extended, the governor and often state judges came to be elected by direct vote, and the power of the state legislature was enlarged.

After 1860 there was a reverse movement. This was due partly to a growing faith in the executive, and partly to a reaction against the abuse of power by state legislatures. Particularly the more recent state constitutions have limited the power of the state legislature, increased the power of the executive, provided for the centralization of the state administration, and shortened the ballot. The present tendency among state constitutions is to continue in the direction of the above-mentioned reforms.

A. THE PARTS OF A STATE CONSTITUTION

577. THE BILL OF RIGHTS.—A vital part of a state constitution is the bill of rights, roughly corresponding to the first ten amendments to the Federal Constitution. Generally the bill of rights

affirms the principle of republican government, maintains that all powers are inherent in the people, and declares that all free government is formed by the authority of the people. A typical bill of rights also provides that the laws of the state shall not be suspended except by the legislative assembly, and includes the traditional limitations on behalf of private rights. These include the right of free speech; the right to jury trial; the free exercise of religious worship; the right peaceably to assemble and petition the government for redress of grievances; the privilege of the writ of *habeas corpus* except in case of rebellion, invasion, or public danger; the prohibition of excessive bail, and cruel and unusual punishments; and compensation for private property when taken for public use.

578. THE FRAMEWORK OF GOVERNMENT.—A second part of a typical state constitution deals with the distribution of powers, the limitations upon state officials and other elements in the framework of government. Especially in the more recent constitutions is the form of state government outlined in considerable detail. In addition to providing a system of checks and balances by separating the executive, legislative, and judicial powers of state government, this part of the constitution defines and limits the suffrage, provides for the organization of the state legislature, and prescribes the limitations under which the legislature must operate. The election of the Governor and other

important state officials is provided for, as is the relation of rural and municipal government to the state government. This part of the constitution likewise creates the state judicial system, though the regulation of details with regard to jurisdiction, procedure, and appeals is generally left to the discretion of the state legislature.

579. STATE FINANCES.—A third division of a typical state constitution places a number of limitations upon the financial powers of the state legislature. These provisions are often detailed and complicated and hence are difficult to summarize. Their general purpose, however, is to fix a debt limit beyond which the legislature cannot go, and to compel that body to make adequate provision for the payment of interest and principal in the case of debts which shall be incurred.

580. CONTROL OF ECONOMIC INTERESTS.—The more recent state constitutions provide in considerable detail for the regulation of economic interests within the state. The activities of industrial organizations are often narrowly restricted. In many states the constitution provides for a corporation commission with large powers in the regulation of rates and charges, as well as general supervision of corporate business. Many recent constitutions specify the conditions under which women and children may be employed in industrial establishments.

581. PROVISION FOR THE GENERAL WELFARE.—

An increasingly important part of the state constitution deals with the general welfare. Such vital concerns as the public school system are dealt with. In a typical western state, for example, the constitution requires the legislature to provide free instruction in the common schools of the state for all persons between the ages of five and twenty-five. The same document sets aside certain revenues for educational purposes. The safeguarding of the public health, and detailed provision for the creation and maintenance of public institutions for the dependent, defective, and delinquent classes, are other concerns of this part of the state constitution.

582. PROVISION FOR AMENDMENT.—In about two thirds of the states the constitution provides for its own amendment by a constitutional convention composed of delegates elected by the voters of the state. The convention method is universally employed when a new constitution is desired. Sometimes the state constitution provides for the holding of such conventions at regular intervals, but generally the initiative is left to the legislature. When, by vote or by resolution, this body declares in favor of a convention, the proposition is placed before the voters. If a majority of these favor the project, the legislature arranges for the election of delegates, and fixes the time and place of the convention sessions. After the convention has completed its work, it is customary for the new constitution to be submitted to the people for

approval.

Another common way of amending the state constitution, found in every state except New Hampshire, is through legislative action subsequently ratified by popular vote. By this method separate constitutional amendments may be adopted, without necessitating a wholesale revision of the constitution. Such individual amendments are usually proposed by the legislature and are later submitted to popular vote. In some states only a majority vote of the legislature is required for the proposal of amendments, but ordinarily a special majority of two thirds or three fourths of the members of each house is required. In a few states, amendments cannot be considered until they have been proposed by two successive legislatures. After the amendment has been proposed for the second time, it must be ratified at the polls.

Within the last decade several states, particularly in the West, have adopted a more direct method of amending the constitution. This is through the Initiative and Referendum. [Footnote: The general question of the Initiative and Referendum is treated in Chapter XXXVII.] In Oregon, for example, 8 per cent of the legal voters may petition for a proposed amendment to the constitution. The proposal is then submitted to the voters, and if it receives a majority of all votes cast, it becomes part of the state constitution. Arizona, Arkansas, California, Colorado, Michigan, Missouri, Nebraska, Nevada, North

Dakota, and other states allow this type of constitutional amendment.

QUESTIONS ON THE TEXT

1. What are the chief limitations imposed upon state governments by the Federal Constitution?

2. Discuss the range of authority enjoyed by state governments.

3. Classify state constitutions on the basis of age.

4. Discuss the classification of state constitutions in the light of democratic development.

5. What is the nature of a "bill of rights"?

6. Discuss the framework of government as provided for in the state constitution.

7. What provision for state finances does a typical state constitution contain?

8. What are some of the provisions in state constitutions concerning economic interests?

9. How may a state constitution provide for the general welfare?

10. Describe the three ways in which state constitutions may be amended.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxii.

2. Guitteau, *Government and Politics in the United States*, chapter viii.

3. Munro, *The Government of the United States*, chapter xxviii.

QUESTIONS ON THE REQUIRED READINGS

1. What is the significance of the "Revolutionary constitutions"? (Guitteau, page 86.) 2. What is the relation of present-day state constitutions to the original colonial charters? (Munro, page 404.) 3. Distinguish between the "constituent" and the "law-making" power. (Munro, page 405.) 4. Into what two parts may the early state constitutions be divided? (Guitteau, page 86.) 5. Discuss the check and balance system as provided for in the constitutions of the various states. (Guitteau, page 89.) 6. What authority controls the admission of new states into the Union? (Beard, pages 443-445.) 7. What does the constitution of Oklahoma say concerning the writ of *habeas corpus*? (Beard, page 449.) 8. Describe the procedure in a constitutional convention. (Munro, pages 410-411.) 9. What is the relation of the state constitution to the state courts? (Beard, pages 452-453.) 10. Enumerate the principles which commonly govern the attitude of the state courts

toward the acts of the state legislature. (Beard, pages 452-453.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. The history of your present state constitution.

2. The bill of rights in your state constitution.

3. The framework of government as provided for in the constitution of your state.

4. Methods by means of which your state constitution may he amended.

5. Classify and briefly characterize the amendments which have been appended to the constitution of your state.

II

6. Meaning of the term "constitution." (Gettell, *Readings in Political Science*, pages 282-283.)

7. Types of constitutions. (Gettell, *Readings in Political Science*, pages 284-285; Kimball, *State and Municipal Government in the United States*, chapter ii.)

8. Methods of amending constitutions. (Gettell, *Readings in Political Science*, pages 299-300.)

9. Difficulties of constitutional amendment in the United States. (Gettell, *Readings in Political Science*, page 301.)

10. Procedure in the state constitutional convention. (Massachusetts Constitutional Convention Bulletins, No. i. Hoar, *Constitutional Conventions.*)

11. Recent changes in constitutions. (Dealey, *Growth of American State Constitutions from 1776 to the end of the Year 1914.*)

12. Present tendencies in state constitutions. (Reinsch, *Readings on American State Government*, pages 443-449.)

13. The constitution of Oklahoma. (Reinsch, *Readings on American State Government*, pages 450-464.)

14. A comparison of constitutional amendment in Europe and constitutional amendment in the United States. (Borgeaud, *Adoption and Amendment of Constitutions in Europe and America*.)

15. British constitutions. (Gettell, *Readings in Political Science,* pages 286-287; 292-293.)

16. French constitutions. (Gettell, *Readings in Political Science,* pages 297-298.)

17. German constitutions. (Gettell, *Readings in*

Political Science, pages 298-299.)

FOR CLASSROOM DISCUSSION

18. Does the Federal Constitution too narrowly restrict the activities of the state governments?

19. Does the bill of rights in your state constitution adequately protect your rights?

20. Does the constitution of your state too narrowly restrict the financial powers of the state legislature?

21. Is your state constitution too easy of amendment? Is it too difficult of amendment?

22. Recent state constitutions tend to be very long and detailed. What are the advantages and disadvantages of this development?

CHAPTER XLVI

THE STATE EXECUTIVE

A. THE GOVERNOR

583. THE ELECTION OF THE GOVERNOR.—In every state in the Union the Governor is elected by popular vote. In most of the states this election takes place, together with that of other state officials, on the Tuesday following the first Monday in November. Usually a gubernatorial candidate is required to be at least thirty years of age. He must be a United States citizen, and also a resident of his state of at least five years' standing.

The Governor's term varies from two years in Massachusetts to four years in more than twenty states. In general, the term of office is increasing. The average salary received by a state Governor is $5000 a year.

584. LIMITATIONS UPON THE GOVERNOR.—A number of factors operate to limit the power of the state Governor.

The Federal Constitution limits his authority by declaring that persons charged with crime in, and escaped from, a neighboring state, must be delivered up to the executive authorities of the state in which the crime is charged to have been committed.

The executive power of state government is not concentrated under the Governor, but is shared by the Governor with a host of administrative officials. Many of these officials are elected directly by the people, and cannot, therefore, be held accountable by the Governor. Furthermore, the actual execution

of the state laws rests primarily with municipal and other local officials, and over these officers the Governor has little or no control. The express powers of the President of the United States have been rather liberally interpreted by the courts, but the powers of the state Governor have generally been construed in a narrow and literal sense. In many states the power of the Governor rarely or never extends beyond the express limits imposed by the state constitution.

585. EXECUTIVE POWERS OF THE GOVERNOR.—The Governor is charged by the state constitution to see that the laws are faithfully executed. This is similar to the chief duty of the President of the United States, but whereas the President is aided by subordinate administrative officials over whom he has complete control, the Governor must act through a large number of state and local officials over whom he has little effective control.

Of some value, however, is the power of the Governor to exercise general supervision over the various executive officers of the state. He enjoys, in addition, the power to appoint many of the subordinate administrative officials. Usually these appointments must be confirmed by the upper house of the state legislature. In most cases the Governor cannot remove officials so appointed without the consent of the senate or council.

The Governor is commander-in-chief of the armed forces of the state, and when the regular officers of

the law are unable to cope with domestic violence, he is empowered to call out the militia. In this connection, the Governor has the power of suspending the writ of *habeas corpus*, though most states declare that this writ may not be suspended except in times of rebellion and invasion. Two or three states have recently provided that the writ of *habeas corpus* may not be suspended in any case whatsoever.

586. LEGISLATIVE POWERS OF THE GOVERNOR. —In general the Governor occupies the same relation to the state legislature, as does the President toward Congress. Thus the Governor may send periodic messages to the legislature, and may recommend such legislative measures as he believes desirable. The Governor often communicates with the legislature concerning the financial condition and needs of the state. The Governor may also call special sessions of the state legislature, for the consideration of urgent matters. In case the two houses of the legislature are unable to agree upon a time for adjournment, the Governor may adjourn the state legislature.

In one respect the Governor's power of veto exceeds that of the President, for in about two thirds of the states the Governor may veto individual items in appropriation bills. This privilege is denied the President, who must accept or reject a measure as a whole. Like the President, the Governor influences legislation through his relations with the leaders of

his party in the legislature, as well as through his power of the patronage.

587. JUDICIAL POWERS OF THE GOVERNOR.—In almost every state the Governor has considerable control over the issuance of pardons and reprieves, in the case of all offenses committed against the state. In some states the power to issue pardons and reprieves is exercised with the consent of the state legislature, in other states the Governor shares this power with a board of pardons; in a few states the Governor may act alone.

588. TENDENCY OF THE GOVERNOR'S POWER TO INCREASE.—The earlier state constitutions tended to restrict the powers of the Governor, and to extend liberal grants of power to the state legislature. Of recent years the abuse of legislative power has tended to encourage suspicion of the legislature and a growing confidence in the Governor. As a consequence, the Governor's term is in many states increasing. In the effort to shorten the ballot and concentrate responsibility for the state administration upon some one official, various states are increasing the appointive power of the Governor. In a few states the Governor now has authority to make special inquiries into the workings of the various executive departments, with a view to checking inefficient and irresponsible methods of work. In some states the Governor's share in budget-making is increasing. In the majority of states the general tendency toward a shorter ballot, the

reorganization of the state administration, and other methods of reforming state government, will probably continue to enlarge the power and influence of the Governor.

B. THE STATE ADMINISTRATION

589. THE OLDER GROUP OF ADMINISTRATIVE OFFICERS.—Aside from the Governor, the administrative officers of the state fall into two groups: First, the older officers, who are relatively few, and who are almost always elective; and second, the newer officers, boards, and commissions, who are relatively numerous, and who may be either elective or appointive.

The first group comprises such officers as the Lieutenant Governor, the Secretary of State, the State Treasurer, the Auditor or Comptroller, and the Attorney-General. These older officers are usually elected at the general state election for a term varying from state to state. These officers are not under the control of the Governor, but fulfill duties prescribed by the constitution, and are responsible only to the people and to the courts. They may be, and often are, of a different political party than the Governor, and since they are not under the control of that official, they often work at cross-purposes with him. This lack of co÷rdination is in striking contrast to the harmony of action existing between the President of the United States and the heads of the

Federal Executive Departments.

590. THE NEWER GROUP OF ADMINISTRATIVE OFFICERS.—As state government has increased in complexity, the older group of administrative officers has been supplemented by the addition of a large number of new officers.

These newer administrative officials are quite numerous, but their general character may be indicated by dividing them into two classes:

The first class includes individual officers, such as, for example, a superintendent of prisons, a state architect, a state historian, a commissioner of health, a food inspector, a geologist, a commissioner of corporations, a commissioner of banking, a superintendent of public works, and a state surveyor.

Besides individual officers, the newer group of administrative officials includes a large number of boards and commissions which have been created by the state legislature and endowed with large powers for the study and control of specific matters. The following boards and commissions are examples of this second class: A state civil service commission, a tax commission, a board of charities and correction, a water supply commission, a tax equalization board, a quarantine commission, a voting machine commission, a board of pharmacy, a highway commission, and a public service commission.

591. DEFECTS OF STATE ADMINISTRATION. [Footnote: For a fuller discussion of this problem, see Chapter XXXVI.]—The enlargement of the state administration by this creation of numerous individual offices, boards, and commissions indicates an attempt on the part of state governments to grapple with the problems of democracy. Nevertheless, this rapid growth of the state administration has had serious consequences. Once created, many of the newer officers have attempted to perpetuate themselves. State legislatures have been harassed by boards and commissions seeking unnecessary appropriations. Politicians without expert training or ability are often placed on boards and commissions dealing with technical matters.

Responsible and efficient state government is rendered difficult by the inability of the Governor effectively to control the few elective officials who constitute the older group of administrative officers; an even greater difficulty arises from the creation and expansion of the newer group of officers. The excessive number of individual officers, boards, and commissions makes for inefficient and irresponsible government. Some of these officials are elected by the people, others are appointed by the Governor. Their terms vary so widely that, as Professor Beard has pointed out, the appointing power never has an opportunity to make a clean sweep and introduce more efficient administrative methods. There is little or no co÷rdination between the various

administrative offices, and very little centralization of responsibility.

592. THE STATE OF CIVIL SERVICE.—The spoils system has long constituted a defect, not only in the Federal government but in American state government as well. [Footnote: This problem is further discussed in Chapter XXXIV.] And as in the case of the National government, this evil has been attacked primarily through the merit system. New York state led the way in 1883 by passing a comprehensive Civil Service Act. This law provided for a commission authorized to co÷perate with the Governor in preparing rules, classifying the state civil service, and conducting the examinations for the positions to be filled. Since then, Massachusetts, Wisconsin, Colorado, New Jersey, California, Ohio, Illinois, and other states have adopted some type of civil service system.

State civil service laws are largely modelled after the national Civil Service Act of 1883. In most of the legislating states laws of this type provide for competitive examinations of a practical nature; they prohibit political and religious interrogatives; and they forbid the assessment of holders of civil service positions for political purposes. Appointment and promotion are upon the basis of merit, although as in the case of the Federal civil service, the standards for judging the character and capacity of individual officeholders have not yet been perfected.

QUESTIONS ON THE TEXT

1. What are the qualifications of the state Governor?

2. What limitations restrict the power of the Governor?

3. Outline the executive powers of the Governor.

4. What are the chief legislative powers of the Governor?

5. Describe the judicial powers of the Governor.

6. Is the power of the Governor increasing or decreasing?

7. Into what two groups may state administrative officers be divided?

8. Name some of the officials in the older group.

9. Discuss the character of the newer group of officials,

10. Name the chief defects of state administration.

11. Discuss the state civil service.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxiv.

2. Guitteau, *Government and Politics in the United States*, chapter x.

3. Munro, *The Government of the United States*, chapters xxx and xxxi.

4. Reed, *Form and Functions of American Government*, chapter x.

QUESTIONS ON THE REQUIRED READINGS

1. How many states elect the Governor for two years? (Beard, page 490.)

2. How is the Governor of Mississippi elected? (Beard, page 489.)

3. What is the function of the lieutenant governor? (Beard, pages 499- 500.)

4. What are the functions of the state treasurer? (Beard, page 500.)

5. What are the chief duties of the attorney-general of the state? (Beard, page 500.)

6. Discuss the impeachment process in state government. (Beard, pages 508-509.)

7. Name some miscellaneous duties of the Governor. (Reed, page 116.)

8. What is the nature of the Governor's messages?

(Reed, page 118.)

9. How is a vacancy in the Governorship filled? (Munro, page 433.)

10, Name some states in which the movement for the consolidation of state administrative offices is active. (Guitteau, page 112.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Term, qualifications, and salary of the Governor of your state.

2. A short biography of the present Governor of your state.

3. Platform on which the present Governor of your state was elected

4. A comparison of the influence exerted by the President of the United States upon the National legislature, and the influence exerted upon the state legislature by the Governor of your commonwealth.

5. A classification of the administrative officers of your state.

6. History of the merit system in your state.

II

7. A comparative study of state governors in the United States. (Beard, *American Government and Politics*, page 491.)

8. The legislative power of the Governor. (Mathews, *Principles of American State Administration*, chapter iii.)

9. The veto power of the Governor. (Munro, *The Government of the United States*, pages 435-438.)

10. Some special functions of the Governor. (Mathews, *Principles of American State Administration*, chapter v.)

11. The administrative power of the Governor. (Mathews, *Principles of American State Administration*, chapter iv.)

12. Relation of the Governor to law enforcement. (Reinsch, *Readings on American State Government*, pages 26-40.)

13. The organization of the state administration. (Mathews, *Principles of American State Administration*, chapter vii.)

14. The work of the state administration. (Munro, *The Government of the United States,* chapter xxxi; Kimball, *State and Municipal Government in the United States,* chapter ix.)

15. The selection of state officials. (Mathews,

Principles of American State Administration, chapter viii.)

16. The removal of state officials. (Mathews, *Principles of American State Administration, Principles of American State Administration,* chapter ix.)

FOR CLASSROOM DISCUSSION

18. Should the veto power of your state Governor be still further restricted? Should it be enlarged?

19. Should the administrative offices in your state be reorganized and consolidated?

20. Ought the merit system in your state to be extended?

21. Advantages and disadvantages of choosing administrative officials by direct vote.

CHAPTER XLVII

THE STATE LEGISLATURE

593. STRUCTURE OF THE STATE LEGISLATURE.

—The representative branch of state government is known under different names in various states, but the term "state legislature" is in more or less general use.

The state legislature is invariably a two-chambered body; the upper house is the smaller and is called the senate, while the lower and more numerous branch is variously known as the house of representatives, house of delegates, or assembly.

Usually the state senate differs from the lower house in certain important particulars. The senatorial districts from which members of the upper house are elected are always larger than are the districts from which members to the lower house are chosen. Senators are usually chosen for longer terms than are representatives. As in the case of the National Senate, the senate (in most states) is made a continuous body by the provision that its members shall begin their terms at certain periodic intervals. In the lower house of the state legislature, on the other hand, all of the members take their seats at the same time.

594. BASIS OF REPRESENTATION.—For the purpose of electing members of the state legislature, practically all of the states are divided into numerous senatorial and representative election districts. Some states apply the rule that representatives in the state legislature shall be apportioned among districts containing practically an equal number of inhabitants.

Other states, however, provide exceptions to this rule. For example, Alabama, Florida, New York and other states provide that each county shall have at least one member in the house. Often the result of this arrangement is that the smaller or more sparsely populated counties are over-represented in the state legislature, while the more populous counties are under-represented.

Several states, notably Connecticut and Vermont, arrange representation in the state legislature so that with respect to population, cities are under-represented and rural districts are over- represented. [Footnote: For a discussion of the problem of minority representation in state legislatures, see Chapter XXXV.]

595. MEMBERSHIP.—The state constitution determines the qualifications of those who are entitled to vote for state legislators. [Footnote: For an enumeration of these qualifications, see Chapter XXXIII, Section 415.] Generally, anyone qualified to vote for a state legislator is also eligible to membership. However, holders of both Federal and state offices are excluded from sitting in the state legislature.

In some states the term of a senator is the same as that of a representative, but generally senators are elected for a longer term than are members to the lower house. Representatives are generally chosen for two years, senators for four.

In all states, members of the legislature are paid, either a fixed annual salary or a *per diem* allowance based upon the length of the legislative session. In most states senators and representatives receive equal compensation.

All state legislators are privileged from arrest or civil process during the session. In addition they enjoy the usual privilege of free speech in their official capacities.

596. ORGANIZATION.—Formerly state legislatures met annually, but at present the great majority convene only once in two years. In the effort to cut down the amount of superfluous legislation, a number of state constitutions now restrict the legislative session to from forty to ninety days. The legislature may adjourn itself to meet later in special session, or the Governor may call special sessions. The Governor may adjourn the legislature, if the two houses fail to agree upon a time for adjournment.

In internal organization, the state legislature resembles Congress. Except that the lieutenant governor is often the presiding officer of the senate, each house chooses all of its own officers. Each house determines its own rules of procedure and keeps a journal of its proceedings. In addition, each house exercises the right of deciding upon the qualifications of its members, and disciplines and punishes its members for misconduct. As in the national legislature, work is expedited by the

committee system. The party is a dominant force in the state as well as in the national legislature.

597. POWERS OF THE STATE LEGISLATURE—The law-making powers of the state legislature extend to practically all subjects. The presumption is that this body has a right to legislate upon any subject, unless specific prohibitions have been imposed upon it by either the Federal or the state constitution.

The Federal Constitution forbids any state legislature to emit bills of credit, coin money, or pass laws impairing the obligation of contracts. Neither bills of attainder nor *ex post facto* legislation may be enacted by a state legislature. The Federal Constitution likewise declares that state legislatures may neither abridge the privileges and immunities of citizens of the United States, nor deprive persons of life, liberty, or property without due process of law. No state may deny to any person within the state jurisdiction the equal protection of the laws.

Restrictions imposed by the state constitution fall into several groups. These include restrictions in favor of trial by jury, religious freedom, and other privileges usually embodied in a bill of rights; provisions controlling the grant of special favors to corporations; restrictions upon the financial powers of the state legislature; provisions defining the framework of state government; and prohibitions upon the power of the legislature to pass special and local laws. [Footnote: A special or local law is one

which applies to some particular individual or corporation, or to some particular city, county, or other locality. Prohibitions upon special and local laws are necessary in order to prevent the legislature from extending special favors to particular individuals or localities.]

598. HOW A STATE LAW IS MADE.—Bills may originate in either house of the state legislature, except that in most states money bills must originate in the lower chamber.

To illustrate law-making in the state legislature, let us assume that a bill is introduced in the lower house. This may be done by any one of several methods. Any member of the house may deposit a bill in a box near the speaker's desk. Sometimes a bill is introduced by the report of a committee, or even by a messenger from the senate. When the bill has been introduced, it is given a first reading. With the consent of the house, the speaker then refers the measure to the appropriate committee. The adverse report of the committee generally kills the bill; but if the bill is favorably reported, and this report is approved by the house, the bill is placed on the order of second reading and is debated section by section, unless by unanimous vote it is advanced to the third reading. If the bill passes the second reading, it is generally referred to the committee on revision. It is then engrossed, reported back to the house for the third reading and the final vote. Sometimes the yeas and nays of this final vote are entered upon the

journal, so that responsibility may be fixed upon each member.

The bill then goes to the senate, where the procedure is very much like that of the house, except that the committee of the whole sometimes takes the place of the order of the second reading as conducted in the house.

599. THE BILL GOES TO THE GOVERNOR.—In every state except North Carolina, a bill which has passed both branches of the legislature must then go to the Governor for approval. If this officer signs it, it becomes law. If he disapproves of it, he returns it with his objections to the house in which it originated. In spite of this objection by the Governor the legislature may enact the measure into law, if a sufficiently large majority in each house votes in favor of the bill. This majority is usually two thirds of the members in each house.

Generally the Governor has a ten-day period in which to consider bills. If a bill is not returned to the legislature with his objections within this period, it automatically becomes law without his signature, unless the adjournment of the legislature prevents its return to that body. In most states the Governor has the important privilege of vetoing particular items in appropriation bills, while sanctioning the rest of the measure.

600. DEFECTS IN STATE LEGISLATION. [Footnote:

For a fuller discussion see Chapter XXXVI.]—There is, among students of American government, a general agreement that the legislative procedure of the various states evidences a number of serious defects.

One of these defects is the absence of responsibility. Any member of the state legislature may introduce as many bills as he likes, but he need not assume responsibility for any of them.

Another serious evil is the lack of experience and technical skill on the part of legislators. Legislators are frequently ignorant of the subject matter with which they are called upon to deal. There is a tendency for legislators to ignore the effect of a new statute upon the existing body of law. Nor is the constitutionality of the measure contemplated always taken into account. Ill-advised and pernicious legislation is the result.

Log-rolling and lobbying constitute another defect of state legislation. Log-rolling leads to the passage of numerous bills without their adequate scrutiny by individual members, and without either individual members or legislative committees assuming responsibility for those measures. The pressure exerted upon state legislatures for legislation favoring special interests is still great.

601. THE REFORM OF LEGISLATIVE PROCEDURE.—A few states have attempted to

overcome the lack of technical information on the part of legislators by providing for expert bill drafters. In New York, for example, the state legislature has been provided with a number of competent bill drafters whose duty it shall be, during the session of the legislature, to draw bills, examine and revise proposed bills, and advise as to the legal effect of any legislation. These bill drafters may be set to work on the request of either house, or of a committee, member, or officer thereof.

A large number of states now have a legislative reference bureau which keeps a careful record of the laws passed in the various states of the Union. This bureau maintains a library, and issues bulletins for the guidance of legislators.

In 1909 Wisconsin created the office of reviser. This officer keeps a loose-leaf system of laws, and collects court decisions affecting statutes. At the beginning of each session this officer also presents to the committees on revision of each house of the legislature, bills providing for such consolidation and revisions as may be completed from time to time. The reviser supervises the preparation, printing, and binding of such compilations of particular portions of the statutes as may be ordered by the head of any state department.

There is an increasing tendency to curb lobbying in state legislatures. The laws of New York and Wisconsin may be taken as typical. That of New York

provides that every person retained or employed for compensation as a counsel or agent by any person, firm, corporation, or association, to promote or oppose, directly or indirectly, the passage of any bill or resolution, must be registered every year in the office of the secretary of state, and must give the name of the person by whom he is retained. The Wisconsin law provides that legislative agents or counsels may not attempt to influence members privately, but must confine themselves to arguing before committees and filing printed briefs with the members of the legislature.

QUESTIONS ON THE TEXT

1. Discuss the structure of the state legislature.

2. In what ways does the senate usually differ from the lower house?

3. What is the basis of representation in the state legislature?

4. How are the qualifications of state representatives determined?

5. Compare the term of senator with that of state representative.

6. Outline the organization of the legislature.

7. Compare the organization of the state

legislature with that of the national legislature.

8. What is the scope of power enjoyed by the state legislature?

9. What limitations are placed upon state legislatures?

10. Describe the making of a state law.

11. Discuss the veto power of the Governor.

12. What are some defects of state legislation?

13. Outline some attempts to eliminate these defects.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxv.

2. Guitteau, *Government and Politics in the United States*, chapter ix.

3. Munro, *The Government of the United States*, chapter xxix.

4. Reed, *Form and Functions of the United States Government*, chapter xi.

QUESTIONS ON THE REQUIRED READINGS

1. Under what four heads may the limitations on state legislatures be grouped? (Guitteau, page 101.)

2. What limitations are imposed upon state legislatures by the republican nature of state government? (Guitteau, page 102.)

3. In what states are annual legislative sessions held? (Guitteau, page 96.)

4. Why has the legislative session been shortened in some states? (Reed, pages 123-124.)

5. Under what three heads may state legislative power be classified? (Guitteau, page 100.)

6. What is the most important of the powers of the state legislature? (Reed, page 128.)

7. What are the non-legislative duties of the state legislature? (Guitteau, pages 100-101.)

8. What can be said as to the personnel of the state legislature? (Reed, page 126.)

9. What is a "rotten borough"? (Beard, page 521.)

10. Why are state laws frequently of inferior quality? (Munro, page 428.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. A comparison of the upper with the lower house of your state legislature.

2. Gerrymandering in your state.

3. Occupations and professions represented in the membership of your state legislature.

4. The character of legislation recently enacted by your state legislature.

II

5. Development of the law-making department. (Gettell, *Readings in Political Science*, pages 341-342.)

6. General principles of legislative organization. (Gettell, *Readings in Political Science*, page 343.)

7. Advantages of the bicameral system. (Gettell, *Readings in Political Science*, page 344.)

8. The function of the legislature. (Gettell, *Readings in Political Science*, page 357.)

9. The lobby. (Reinsch, *Readings on American State Government*, pages 79-84.)

10. Financial procedure in state legislatures. (Reinsch, *Readings on American State Government*, pages 56-61.)

11. The actual work of making a law. (Reed, *Form*

and Functions of American Government, chapter xii.)

12. Legislative apportionments. (Reinsch, *American Legislatures and Legislative Methods*, chapter vii.)

13. Obstacles to intelligent law-making. (Gettell, *Readings in Political Science*, pages 358-359.)

14. Danger of over-legislation in the United States. (Gettell, *Readings in Political Science*, page 361.)

15. The legislative reference bureau. (Reinsch, *Readings on American State Government*, pages 63-73.)

16. The relation of the state legislature to local government (Gettell, *Introduction to Political Science*, chapter xxii.)

17. Public forces influencing legislation. (Reinsch, *American Legislatures and Legislative Methods*, pages 275-298.)

FOR CLASSROOM DISCUSSION

18. Would shortening the length of the legislative session improve the character of legislation in your state?

19. Should members of the state legislature be residents of the districts from which they are chosen, or should they be chosen on a state-wide ticket?

20. Should our state legislatures be made

unicameral? (See Munro, *The Government of the United States*, pages 416-418.)

CHAPTER XLVIII

THE STATE COURTS

A. SOURCES OF LAW

602. ENGLISH COMMON LAW.—One important source of our system of jurisprudence is the English common law. This law is not found in the enactment of statutes, but consists of court decisions spread over several centuries. The common law has been defined as "that rule of civil conduct which originated in the common wisdom and experience of society," and which "in time became an established custom, and has finally received judicial sanction and affirmance in the decisions of the courts of last resort." [Footnote: W. C. Robinson, quoted in *Government and Politics in The United States*, by W. B. Guitteau, Houghton Mifflin Co., Boston, 1920.] The common law began its development in early England, and with the settlement of America was transplanted to this country. Though radically

modified by American constitutional and statutory enactments it still remains the basis of our legal system.

603. EQUITY.—Common law tended to become so stereotyped and so inflexible that in some cases an application of the law worked an injustice. Very early in English history this situation gave rise to a new form of jurisprudence called equity. Equity is that legal system which supplements common and statute law by aiming to secure justice where a strict application of law would work an injustice. Equity developed in England after the Norman Conquest, and, like the common law, was transferred to this country in colonial times. A distinct set of chancery or equity courts was created to administer equity in early America, but at present equity is administered by the same judges that preside over the regular state law courts. Both equitable and legal relief may be secured in one suit.

604. STATUTES.—Another important source of law is the statutes enacted by the state legislature. Most state laws relate to the structure and functions of government, but statutory enactment is also employed to regulate a few branches of private law, including principally matters which affect the public at large as well as private individuals. Examples are laws relating to wills and succession to property, marriage and divorce, partnerships, and corporations.

The scope of the statutes is widening, and during the last half century several fields of the common law have been covered by statute. Criminal law, criminal procedure, and civil procedure have been codified in various states. Some states have attempted to codify the entire civil law, but experience has proved that this may easily render the law too rigid.

605. OTHER SOURCES OF LAW.—The state constitution, the Federal Constitution, and Federal laws and treaties with foreign countries are other sources of state law.

In summary, the various kinds of law which are enforceable in the state courts may be considered as forming a pyramid, built upward by the following steps: English common law, equity, state statutes, the state constitution, Federal statutes, treaties with foreign nations, and the Federal Constitution.

B. STRUCTURE OF THE COURTS

606. THE JUSTICE OF THE PEACE.—State courts are arranged in a progressive series. At the bottom of this series is the justice of the peace, who exercises jurisdiction over petty offenses and over civil cases involving very small amounts. Generally there is a justice of the peace in each township or other local district. In large cities the civil and criminal jurisdiction of the justice of the peace is usually

divided between two sets of courts: first, the municipal or city courts, with a minor civil jurisdiction; and second, the police or magistrates' courts with jurisdiction over petty criminal offenses. The police or magistrates' courts have the power to make preliminary investigations in case of felonies or serious misdemeanors.

607. THE COUNTY COURTS.—Above the justices of the peace there are, in most states, a number of county courts, exercising limited jurisdiction. These courts, sometimes called courts of common pleas or district courts, have jurisdiction over civil cases involving considerable sums, as well as jurisdiction over most criminal offenses. In addition these courts usually consider appeals from the judgments of justices of the peace.

608. SUPERIOR OR CIRCUIT COURTS.—In many states there is a superior, circuit, or district court immediately above the county courts, though in some states this tribunal takes the place of the county courts. The superior court has jurisdiction over civil cases involving unlimited sums, as well as unlimited original jurisdiction over criminal matters. It may also try all cases over which the lower courts have no jurisdiction.

609. THE SUPREME COURT.—At the head of the state judicial system there is a court of last resort, known in various states by different names. It may be called the court of appeals, the court of errors and

appeals, or simply the supreme court. Practically all of the cases coming before this court are appealed from the lower courts. Ordinarily it deals with points of law rather than of fact.

610. SPECIAL COURTS.—In addition to the regular state courts there are sometimes special tribunals for special purposes. Examples of such courts are the probate or surrogates' courts for the settlement of the estates of deceased persons; children's courts for the treatment of cases involving children; courts of domestic relations; and courts of claims for hearing claims against the state.

611. STATE JUDGES.—In almost all of the states judges are chosen by popular vote, though in half a dozen states the choice of these officials still lies with the legislature or with the Governor, or with both acting jointly. Judges of the higher state courts are generally chosen for a long period of time, even for life, while the judges of the lower courts are chosen for relatively short periods. Salaries vary from practically nothing but fee money for some justices of the peace to an average of $7000 a year for justices of the supreme court. The qualifications imposed upon judges include a minimum age of 25 to 35 years, and citizenship for a varying period of years. Another common requirement is residence within the state, or even residence within the judicial district. For judges of the higher courts it is the custom to demand membership in the legal profession. Judges may be removed by impeachment,

and, in a few states, by use of the Recall.

612. OTHER COURT OFFICIALS.—The district or prosecuting attorney is an important official. Generally he is chosen by the voters of the county, though in some instances he is elected from larger areas. The district attorney represents the state in all criminal cases, and conducts the prosecution. This officer conducts a preliminary investigation into crimes and determines whether or not a prosecution should be instituted. If the decision is in the affirmative, he presents the case to the grand jury. If the grand jury returns an indictment, that is, if it demands that the accused be held for trial, the prosecuting attorney conducts the prosecution at the ensuing trial.

The clerk, or recording officer, is generally appointed by the court, though he may be elected by popular vote. The constable or sheriff is elected by popular vote. The clerk and the constable are charged with the execution of all orders, judgments, and decrees of the court.

C. POWERS AND PROCEDURE

613. RELATION OF STATE TO FEDERAL COURTS.—The framework of American government includes a dual system of courts, the Federal courts and the state courts. The jurisdiction of the Federal courts is specifically defined by the Federal Constitution,

while the state courts have a jurisdiction which is limited only by the prohibitions of the state and Federal Constitutions. The two systems of courts are independent in the exercise of their respective powers, and have separate jurisdictions. In some cases, however, the state courts have a concurrent jurisdiction with the Federal courts, and a litigant has a choice of tribunals before which to bring suit. In most suits the decision of the state supreme court is final, but cases involving Federal law may be appealed for final decision to the Supreme Court of the United States.

614. POWER TO DECLARE STATE STATUTES UNCONSTITUTIONAL.—Just as the Federal courts are the final interpreters of all domestic law, so the state courts have the power to pass upon the constitutionality of statutes enacted either by the state legislature or by local law- making bodies. The state constitution is the fundamental law of the state, and it is the duty of the state courts to see that all state and local legislative acts conform to this fundamental law.

615. POWER OVER EXECUTIVE OFFICIALS.—Through their power to pass upon the legality of executive acts, the state courts exercise some degree of control over executive officials. If a state governor were illegally to remove an official from office, for example, the courts could reinstate the latter.

The state courts also have the power to issue writs

of mandamus and injunction. The former may be used, under certain circumstances, to compel an executive officer to perform his duty; the latter writ may be used to prevent either state officials or private individuals from committing illegal acts.

616. CIVIL JURISDICTION.—The jurisdiction of the state courts is either civil or criminal.

The purpose of civil law is to protect the rights of the individual and to redress his wrongs. The individual rights which are the concern of civil law fall under three heads: First, the right of personal security, including the right of protection against violence; second, the right of personal liberty, including the rights set forth in the bill of rights of the state constitution; third, the rights of property, including the right to acquire and hold property, and the right to demand fulfilment of contracts made under state law.

617. CIVIL PROCEDURE.—If an individual believes that his rights have been violated, he, as plaintiff, is entitled to file a complaint with the proper court. The sheriff or constable then summons the defendant to appear in court, and the clerk of the court issues a summons or subpoena to all witnesses which either party to the suit desires to have testify. Generally either party may demand a trial by jury. Both plaintiff and defendant are ordinarily represented by counsel which present the different sides of the case to the judge and jury. The judge

decides what evidence may be properly presented to the jury. After the closing argument of the plaintiff's counsel, the judge instructs the jury on the legal points involved in the case. The jury then retire and attempt to reach an unanimous decision. If able so to agree, they return a verdict for either plaintiff or defendant, and after the verdict has been accepted by the court, judgment is rendered. If the jurors have been unable to come to an unanimous decision, the case is ordinarily tried with another jury, though in a few states an unanimous verdict in civil cases is not required.

If the decision of the court is accepted as final, the judgment is enforced. On the other hand, the dissatisfied party may appeal the case to the next higher court on the ground that the verdict was contrary to the weight of evidence, or because of errors of law committed by the judge. Under certain circumstances the judge who tries the case may be induced to grant a new trial.

618. CRIMINAL JURISDICTION.—The purpose of criminal law is to punish those who have committed public wrongs, *i.e.* wrongs against the state or community. Crimes are of two types: first, felonies, including such grave offences as murder, arson, burglary, and larceny; and second, misdemeanors, including such lesser offenses as bribery, knowingly receiving stolen goods, libel, assault and battery, and disturbance of the peace. Usually felonies are punished either by death, or by a long prison

sentence. Misdemeanors are ordinarily punished by fines or by imprisonment for a short term.

619. CRIMINAL PROCEDURE.—A criminal proceeding usually begins with the arrest of the accused person. Generally, though not always, arrest is in pursuance of a warrant. As soon after arrest as possible, the accused is brought before a magistrate for a preliminary examination. If the examining magistrate finds that there is probable cause for holding him for trial, the accused is committed to jail to await trial. Unless the charge is murder, however, the defendant may be released on bail.

If the charge is a serious one, indictment by the grand jury is the next step. If this jury decides that the evidence is insufficient, the charge is dismissed and the prisoner released. The grand jury meets in secret, and hears only the charges against the accused. These are generally presented by the prosecuting attorney. After the defendant is indicted, the prisoner is brought into court and allowed to plead. If he pleads guilty, the judge may forthwith impose sentence and there is no trial. If the plea is "not guilty," a trial is arranged, a jury of twelve men impanelled, and the trial begins.

The case is opened by the prosecuting attorney, since it is the duty of the state to assume the defendant innocent until he is proved guilty. The prosecuting attorney presents his witnesses, each of which the defendant's attorney may cross-examine,

and in turn allows the defendant's attorney to present the defense. The prisoner is not questioned at any stage in the trial, unless he is willing to take the stand as a witness in his own behalf.

After the prosecuting attorney and the defendant's counsel have completed their case, the judge sums up the evidence brought out by each side, and instructs the jury as to the law involved. The jury then retire and attempt to reach a verdict. Generally such a verdict must be unanimous, and if this cannot be secured, the jury is dismissed and the case is held for re-trial. If the verdict is "not guilty," the prisoner is discharged; if he is found guilty, sentence is imposed by the court, either immediately or at some future date. [Footnote: For a discussion of the legal aspects of the problem of crime, see Chapter XXI.]

QUESTIONS ON THE TEXT

1. What is meant by the term "common law"?

2. Define equity. How did it arise?

3. What is the importance of the statutes as a source of state law?

4. What are some other sources of law?

5. Describe the work of the justice of the peace.

6. What is the jurisdiction of the county courts?

7. What is the chief function of the state supreme court?

8. Name some special state courts.

9. What is the function of the district attorney?

10. What is the relation of state to Federal courts?

11. Discuss the chief powers of state courts.

12. What is the scope of the civil jurisdiction of the state courts?

13. Describe a civil trial.

14. What are the two types of crimes?

15. Outline the steps in a criminal trial.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxvi.

2. Guitteau, *Government and Politics in the United States*, chapter xi.

3. Munro, *The Government of the United States*, chapter xxxiv.

4. Reed, *Form and Function of American Government*, chapter xiii.

QUESTIONS ON THE REQUIRED READINGS

1. Define common law. (Guitteau, page 115.)

2. What is the relation of the old Privy Council to the origin of English common law? (Guitteau, page 116.)

3. What is a tort? (Beard, pages 558-559.)

4. What is the relation of the state judiciary to the other departments of state government? (Reed, page 160.)

5. To what extent do the Federal courts interfere with the decisions of the state courts? (Munro, page 492.)

6. By what three methods may judges be chosen? (Beard, page 550.)

7. Name some states in which judges are not chosen by the people. How are judges chosen in these states? (Beard, page 550.)

8. Compare the salaries of American judges with the salaries of European judges. (Beard, page 552.)

9. By what three methods may judges be removed? (Munro, pages 496-497)

10. In what state has the codification of the civil code been most successful? (Reed, page 168.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Provisions in your state constitution with respect to the state judiciary.

2. The choice of judges in your state.

3. Characteristics of a good judge.

4. The actual conduct of a civil or criminal trial in a near-by court.

5. Delay in legal procedure in your state. (Consult a friendly attorney.)

6. Methods of removing judges in your state.

II

7. The evolution of state justice. (Gettell, *Readings in Political Science*, page 384.)

8. Function of the state court. (Gettell, *Readings in Political Science*, page 387.)

9. Methods of choosing judges in the various states. (Gettell, *Readings in Political Science*, page 388.)

10. Procedure in the state courts. (Kimball, *State and Municipal Government in the United States*, chapter

xv.)

11. The system of appeals in state courts. (Reinsch, *Readings on American State Government*, pages 150-158.)

12. Politics and the state courts. (Reinsch, *Readings on American State Government*, pages 158-168.)

13. Defects in the enforcement of law. (Reinsch, *Readings on American State Government*, pages 173-180.)

14. Relation of judicial inefficiency to crime. (Reinsch, *Readings on American State Government*, pages 181-198.)

15. Legal claims against the state. (Reinch, *Readings on American State Government*, pages 168-172.)

16. Necessity of judicial independence. (Gettell, *Readings in Political Science*, page 391.)

17. The significance of lawyers in the United States. (Gettell, *Readings in Political Science*, page 390.)

18. A summary of the defects of the State judiciary. (Bryce, *The American Commonwealth*, vol. i, chapter xlii.)

FOR CLASSROOM DISCUSSION

19. Should a jury sitting in a criminal trial be required to render an unanimous verdict or simply a majority decision?

20. Should state judges be chosen directly by the people, or selected by the state legislature, or appointed by the Governor?

21. Should judges be subject to the Recall?

22. Should the entire civil law of your state be codified?

23. Advantages and disadvantages of separate administrative courts. (See Gettell, *Readings in Political Science*, pages 392-393.)

CHAPTER XLIX

MUNICIPAL GOVERNMENT

A. DEVELOPMENT OF THE AMERICAN MUNICIPALITY [Footnote: For an extended account of American municipal development, see Fairlie's *Municipal Administration*. An excellent summary of Fairlie is

found in
Guitteau's *Government and Politics in the United States*, Houghton
Mifflin Co., Boston, 1920.]

620. RAPID GROWTH OF AMERICAN CITIES.—A striking feature of American life is the rapidity with which our cities have grown. At the time of Washington's first inauguration, the United States were so predominantly rural that only about one thirtieth of our population was found in the cities. With the progress of the Industrial Revolution came an unprecedented development of transportation and the factory system. More and more people made their homes in the cities, until in 1890 approximately a third of the people of the United States were living in cities. According to the census of 1920 more than half of our population is concentrated in towns and cities.

621. THE AMERICAN CITY BEFORE THE REVOLUTION.—New York, now the largest American city, is also the oldest, having received its charter in 1686. Between that date and the outbreak of the Revolution, nineteen other municipalities received charters. The colonial cities modelled their organization after the English borough. Practically all authority was vested in a council, consisting of a mayor, recorder, aldermen, and councilmen, acting as a single body. The mayor was either appointed by the Governor, or elected by the council. The chief duty of the mayor was to preside over the council

and execute its ordinances.

622. THE AMERICAN CITY, 1775-1825.—Several important changes in the character of the American city took place in the half century which followed the Declaration of Independence.

The power to grant charters to cities was transferred from the Governor to the state legislature. This was the natural outcome of an increasing suspicion of the executive authority, and a corresponding increase of faith in the state legislature. Before the end of this period the city came definitely under the control of the state legislature. In the absence of constitutional restrictions, the legislature has continued to exercise an almost dictatorial control over the cities within its borders.

Also typical of this period was the subordination of city affairs to state and national politics.

623. THE AMERICAN CITY, 1825-1850.—During this period a number of new cities sprang into prominence. Immigration was increasing, and the industrialization of the country was crowding the population into larger and larger units.

New York, Boston, St. Louis, and other cities adopted the two- chambered-council plan.

The passion for democratic control swept away the property qualifications prescribed by some of the

early city charters, and practically attained universal manhood suffrage. The demand for popular control likewise led to the present practice of choosing the mayor by popular vote, the older methods of State appointment or council election being discarded.

624. THE AMERICAN CITY, 1850-1875.—Many pressing municipal problems appeared in this period. The functions of the American city became more numerous and more complex. Police and fire systems were installed; waterworks, sewer systems, and city parks were provided; education and charitable relief were developed.

Under the stress of administering these additional functions, cities applied more and more frequently to the state legislature for special legislation granting them additional powers. State legislatures tended to pass such special acts freely, with the result that corrupt and pernicious legislation became common in many states. Special interests engaged in lobbying, bribery, and log-rolling to secure special favors from legislatures. Public service corporations often secured valuable franchises on terms that did not adequately protect the public interest.

625. MUNICIPAL REFORM.—The period since 1875 and especially since 1900 has been marked by a strong tendency to reform municipal government.

The abuse of power by the city council in many instances forfeited the respect with which the public

had formerly regarded that body. The power to appoint various city officials was transferred from the council to the voters, and many of the functions formerly exercised by the council were entrusted to newly created municipal boards.

In about half the states constitutional provisions now forbid the legislature to pass special acts concerning municipalities. In other states the constitution enumerates a large number of subjects with regard to which the legislature cannot enact special legislation. In some states the cities of the state are classified into two or more groups, according to population; the legislature is compelled to designate the group or groups to which statutes are to apply. In about a dozen states certain types of cities are allowed to frame and amend their own charters, provided that such acts are not inconsistent with the constitution and statutes of the state.

Municipal civil service reform is of increasing importance, more than 200 American cities having sanctioned it in some form. As applied to municipal affairs the merit system includes a municipal commission, appointed by the mayor; a system of competitive examinations designed to test character and capacity; a plan for requiring the appointing officer in each department of city government to select his subordinates from an eligible list; a method of removing officials; and sometimes a system of pensioning employees who have grown old in the service.

The movement for popular control has been closely associated with municipal development. The tendency to shorten the ballot, the holding of municipal elections at a different time than state and national elections, and the concentration of administrative officers under a responsible appointing head, are steps in this direction. In many states the Direct Primary has been intimately associated with municipal development. The Initiative, Referendum, and Recall have been adopted in a large number of cities, especially where the mayor- council plan has been abandoned for the commission form of government.

B. MUNICIPAL ORGANIZATION

626. THE THREE TYPES OF CITY GOVERNMENT.—The three types of city government in the United States are the mayor-council plan, the commission plan, and the city manager plan. [Footnote: For a description of the commission and city manager plans of city government, see Chapter XXXVI.] The commission plan is a new form of city government which has been designed to overcome the defects of the old mayor-council plan, while the city manager plan is a modification of the commission plan. Of recent years both the commission plan and the city manager plan have spread rapidly, but it is still true that few American cities of any appreciable size have adopted either of these two plans. The old mayor-council plan prevails in most American cities, and for

this reason the remainder of this chapter will be devoted to a description of this form of government.

627. THE CITY COUNCIL: ORGANIZATION.—Usually the city council is a single-chambered body, though some of the larger cities have from time to time experimented with a double-chambered council. In some cities councilmen are chosen on a general ticket, but in most cases the council consists of one member from each ward or district into which the city is divided. Councilmen must be voters in the city in which they serve, and by custom they are generally required to be residents of the ward from which they are chosen. The terms of councilmen vary from one to four years, two years being the average term. In the smaller cities councilmen are usually unpaid, but in the larger municipalities they receive a stated salary.

628. THE CITY COUNCIL: POWERS.—The typical American city is subservient to the state legislature, the powers of city government being enumerated in a charter received from the legislature. These enumerated powers have been rather narrowly interpreted by the courts.

The council enjoys a measure of police power, which it may invoke to protect the health and to further the well-being of the city's inhabitants. The exercise of this police power, however, must not conflict with state law.

The council has the power to levy taxes to defray expenses incurred in performing municipal functions. State constitutions and legislatures limit this power rather narrowly, however. Subject to a similar limitation is the council's power to raise money through the issue of bonds.

City councils may act as the agents of the state government in matters affecting education and charitable relief.

629. THE CITY COUNCIL: PROCEDURE.—The city council meets periodically, generally weekly or bi-weekly. It determines its own rules of procedure and keeps a journal. The committee system is used for the dispatch of business. Ordinances may be proposed by any member of the council. After being introduced, ordinances are read by title and are referred to the proper committee. A second and third reading at subsequent meetings are required. If the ordinance is approved by a majority of the council, it is signed by the presiding officer, and sent to the mayor. In many cities the mayor may veto any ordinance passed by the council. In case of a veto the measure becomes law only if passed by a two thirds —in some cities three fourths or four fifths—vote of the council. In those cities where the mayor has no veto power, the ordinance goes into effect immediately upon being passed by the council.

630. THE MAYOR.—In all cities where the mayor-council plan of government prevails, the chief

executive officer is the mayor or chief magistrate. This officer is usually elected by popular vote, for a term varying from one to four years. Usually the term is two years, though in New England a one-year term is more common. The mayor is paid a salary which ranges from a few hundred dollars in the smaller cities to several thousands of dollars in a number of the larger municipalities.

631. THE MAYOR AND THE COUNCIL.—It is the duty of the mayor to communicate at least once a year to the city council a general statement of the administration and financial condition of the city. The mayor may also recommend to the city council, in his annual message or otherwise, the passage of ordinances which he considers needful. In smaller cities, and in a few of the larger municipalities, the mayor presides over the council and has a casting vote in case of a tie, but in most of the larger cities he is not a member of the council. In most cities he has the veto power. In many of the more recent city charters, the mayor is given the power to veto separate items in an appropriation bill, while approving the remainder of the measure, just as some Governors may veto separate items in appropriations bills enacted by the state legislature.

632. ADMINISTRATIVE DUTIES OF THE MAYOR.—The mayor stands at the head of the city administration, but the extent of his control varies from city to city. In the last half century the decline in popular favor of the city council has been

accompanied by a growing tendency to enlarge the administrative powers of the mayor. In many of the smaller cities the mayor is still little more than a presiding officer of the council. In such cities subordinate executive officials are usually chosen by popular vote or are appointed by the council. In other cities the mayor may appoint the chief administrative officials, subject to the consent of the council. In still other cities, including many of the larger municipalities, the mayor may both appoint and remove the heads of the executive departments, without interference on the part of the council.

633. OTHER ADMINISTRATIVE OFFICIALS.—Such highly complex and important matters as health, education, parks, charities, police, fire protection, and public works are the concern of the numerous administrative officials of the city. Administrative work is carried on by two methods, first, the board system, in which such concerns as schools, public health, and police are managed by boards composed of members of the city council; and second, single commissioners, who are more or less under the control of the mayor. The board system has proved less efficient than the single commissioner plan, and accordingly there is a tendency to abandon the former for the latter plan.

QUESTIONS ON THE TEXT

1. Describe the rapid growth of the American city.

2. What were the characteristics of the city in colonial times?

3. What were the distinguishing features of the American city between 1775 and 1825?

4. What distinguishes municipal development between 1825 and 1850?

5. What problems became prominent in municipal development between 1850 and 1875?

6. Outline the movement for municipal reform.

7. What are the three types of municipal government?

8. Describe the organization of the city council.

9. What are the chief powers of the city council?

10. Outline the making of an ordinance.

11. Discuss the term and salary of the mayor.

12. What is the relation of the mayor to the council?

13. What are the chief administrative duties of the mayor?

14. Name some other administrative officers.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxvii.

2. Guitteau, *Government and Politics in the United Stairs*, chapter iv.

3. Munro, *The Government of the United States*, chapter xlii.

4. Reed, *Form and Functions of American Government*, chapter xvi

QUESTIONS ON THE REQUIRED READINGS

1. Define a city. (Guitteau, page 38.)

2. What is the English prototype of the American city? (Guitteau, page 39.)

3. Under what three heads may the powers of the mayor be grouped? (Beard, page 591.)

4. To what extent has the city council been shorn of its power? (Beard, pages 588-590.)

5. What is the meaning of the phrase "municipal home rule"? (Guitteau, page 45.)

6. What is meant by municipal democracy? (Beard, pages 597-598.)

7. What is the Des Moines plan of city government? (Guitteau, page 46.)

8. Describe briefly the organization of the government of New York. (Reed, pages 197-198.)

9. Summarize the functions of the American municipality. (Munro, pages 602-615.)

10. What is the extent of municipal ownership in the United States? (Munro, page 616.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. History of your municipality.

2. Present organization of your municipal government

3. The chief functions of your municipality.

4. Relation of your municipality to the state legislature.

5. Legislative power in your municipality.

6. The franchise-granting power in your municipality.

II

7. The English borough. (Fairlie, *Municipal Administration*, chapter iv.)

8. Historical development of the American city. (Munro, *The Government of the United States*, chapter xl; Kimball, *State and Municipal Government in the United States*, chapter xx.)

9. Political consequences of city growth. (Gettell, *Readings in Political Science*, page 433.)

10. Relation of city life to democracy. (Gettell, *Readings in Political Science*, page 436.)

11. Evolution of municipal organization. (Munro, *The Government of American Cities*, chapter i.)

12. Relation of the municipality to the state. (Munro, *The Government of American Cities*, chapter ii.)

13. The voters of the city. (Munro, *The Government of American Cities*, chapter iii.)

14. The mayor. (Munro, *The Government of American Cities*, chapter ix; Fairlie, *Municipal Administration*, chapter xix.)

15. The city council. (Munro, *The Government of American Cities*, chapter viii; Fairlie, *Municipal Administration*, chapter xvii.)

16. Municipal administrative offices. (Munro, *The Government of American Cities*, chapter x; Fairlie, *Municipal Administration*, chapter xviii.)

17. The needs of city government. (Gettell,

Readings in Political Science, pages 441-442.)

18. The municipal government in action. (Bryce, *The American Commonwealth*, vol. i, chapter li.)

19. Municipal functions. (Munro, *The Government of the United States*, chapter xlii; James, *Local Government in the United States*, chapter vii.)

20. Municipal finances. (Beard, *American City Government*, chapter v.)

21. The franchise problem. (Beard, *American City Government*, chapter vii.)

22. Municipal ownership as a political problem. (Beard, *American City Government*, chapter viii.)

23. The commission plan of municipal government. (Munro, *The Government of the United States*, chapter xliii; see also any other standard text on American government.)

24. The city manager plan of municipal government. (Munro, *The Government of the United States*, chapter xliii; see also any other standard text on American government.)

FOR CLASSROOM DISCUSSION

25. Municipal ownership of public utilities in your community.

26. Are the municipalities of your state too narrowly restricted by the state constitution and the state legislature?

27. The solution of the franchise problem.

28. Respective merits of the mayor-council plan, the commission plan, and the city manager plan, with particular reference to your municipality.

CHAPTER L

RURAL LOCAL GOVERNMENT

634. TYPES OF RURAL LOCAL GOVERNMENT.—Rural local governments in the United States vary widely as between different sections of the country, but in general they are divisible into three types. These are:

(a) the town type, so common in New England;

(b) the county type, found chiefly in the South, the Southwest, and the Far West; and

(c) the mixed type of the Middle, Central, and

Northwestern states. These three general types will be discussed in the order named.

A. THE TOWN TYPE

635. NATURE OF THE TOWN.—The basis of rural local government in New England is the town. [Footnote: The county exists in New England as an aggregation of towns. The county has acquired other functions, but it is still primarily a judicial district.] In general the New England town is an irregularly shaped area, varying in size from twenty to forty-five square miles. The area comprising the typical town is primarily rural, and generally contains one or more villages. Although the town is primarily a rural unit, the villages within its bounds may be so populous as to be classed as cities. Yet these populous communities may, as in the case of Brookline, Massachusetts, retain the town government. Other New England cities, such as New Haven and Hartford, Connecticut, have continued the town organization separate from the city government.

636. ORIGIN OF THE TOWN.—Some authorities believe that the town type of rural local government can be traced back through English history to the early Teutonic tribes. Whether or not this is true, it is certain that the principle is an ancient one, and that when New England was first settled, the colonists grouped together in small compact communities, or towns, instead of scattering over larger areas.

637. WHY TOWN GOVERNMENT DEVELOPED IN NEW ENGLAND.—Several factors are responsible for the tendency of the settlers of early New England to draw together in towns. From the economic point of view, the barren nature of the soil rendered extensive farms impracticable, while, on the other hand, the opportunities for fishing and commerce encouraged small, compact settlements along the coast. The hostility of many of the New England Indians also discouraged sparse settlements and obliged the people to settle in close formation. Lastly, many of the New England colonists came to the New World as groups or communities which in their European homes had pivoted about a common church; in New England these people naturally preferred to live very near one another.

638. TOWN GOVERNMENT.—The government of the New England town is vested in a town meeting, which consists of an annual session of the voters of the town. At this meeting the voters enact laws governing such local matters as town finance, schools, police, and highways. A second important function of the town meeting is to choose the town officers, including the selectmen, [Footnote: In Rhode Island the selectmen are known as the council.] the town clerk, treasurer, constable, and others. The chief executive officers are the selectmen, varying in number from three to nine, and generally chosen for the term of one year. The selectmen have general charge of town affairs, and

act under authority conferred by statute or by the town meeting. The town clerk keeps the records, the treasurer has charge of the funds of the town and sometimes audits accounts, while the constable keeps the peace of the town, serves writs, and collects local taxes. In addition there are a number of minor officials, such as tax assessors, pound-keepers, guardians of the poor, highway officials, and library trustees.

B. THE COUNTY TYPE

639. WHY COUNTY GOVERNMENT DEVELOPED IN THE SOUTH.—The system of county government became as firmly intrenched in the Southern colonies as did the concept of the town in early New England. Four factors operated to discourage town government, and to encourage county government, in the South. First, the Southern colonists did not come in small family groups, as did the New Englanders, but rather as individuals and from different classes of society. Second, the Indians of the South were either weak or peaceful, so that fear of Indian attack did not oblige the colonists to congregate in small, compact communities. Third, the climate and soil of the South encouraged a plantation system which resulted in a sparse rather than in a compact population. Fourth, the aristocratic type of society developing from the plantation and slave system prevented the rise of the democratic town meeting.

640. GOVERNMENT OF THE SOUTHERN COUNTY.—Though county government is also found in the Southwest and Far West, it is seen in its purest form in the South. Here the county was originally a judicial district, or sometimes also a financial district to facilitate the collection of taxes. The functions of the county have gradually increased until such local affairs as schools, jails, poorhouses, and the maintenance of roads and bridges are concerns of the Southern county. The chief administrative authority in the county is either the county court, or a small board of commissioners. In either case the administrative authority is chosen by popular vote. In addition there are a number of minor officers such as the treasurer, tax assessor, and recorder, all of them chosen by popular vote for terms varying from one to four years.

641. GOVERNMENT OF THE FAR WESTERN COUNTY.—In the Far West, likewise, the most important unit of rural local government is the county. The county is governed by a board, usually consisting of three commissioners. In general the officers of the Far Western county resemble those in the central states. (See Section 644.)

C. THE MIXED TYPE [Footnote: Sometimes called the township-county system.]

642. ORIGIN OF THE MIXED TYPE.—The mixed type of rural local government is a hybrid, the result

of the incomplete fusion of the town type with the county type. The northern parts of the Central states were settled largely by immigrants from New England, while the southern portions of the Middle West were settled by pioneers from Pennsylvania and the states south of the Ohio River. The New England immigrants were used to town government, and endeavored to perpetuate it in their new home; the settlers from the South preferred the county form of government, and sought its adoption in their new homes. The result was a compromise, some functions of rural local government being assigned to the county and some to the township.

643. THE TWO SUB-TYPES.—In the fusion of the town and county types of government the county system tended to predominate over the town or township form of government when settlers from the South were in the majority. In the northern section of the country, on the other hand, the compromise form tended to include a majority of the features of the town type. The result was the formulation of two sub-types.

The first of these may be called the Pennsylvania sub-type, so named because it originated in Pennsylvania, and then spread, with modifications, to Ohio, Indiana, Kansas, Missouri, and other states. In these states the town or township authority is subordinated to the county government. There is no town meeting.

The New York sub-type exists in typical form in New York, but is also found in New Jersey, Michigan, Illinois, Wisconsin, Minnesota, the Dakotas, and other states. The town meeting is found in these states, and in five of them the townships are represented on the county board.

644. THE NEW YORK SUB-TYPE.—In states possessing the New York sub- type of rural local government, the town meeting is still important. This meeting is similar to the New England town meeting, though it exercises less authority. All the legal voters of the township are qualified to take part in this meeting, which is held annually and on special occasions. At this meeting are chosen township officers for the following year. The most important of these are the supervisor, clerk, treasurer, assessor, and a varying number of constables and justices of the peace. In addition to electing these and other officers, the town meeting enacts legislation with regard to such local matters as bridges, roads, and schools.

In some of the Central states general executive authority over township affairs is vested in a township board, while in other states administrative authority is divided between a township board of from three to eleven members, and a supervisor or trustee. Besides these officials, there are a number of minor officers, including a clerk, a treasurer, an assessor, overseers of the poor, constables, and justices of the peace.

The county board continues to exist under the New York plan, but it is far less important than under the Pennsylvania sub-type. The functions of the county board are similar in these two sub-types.

645. THE PENNSYLVANIA SUB-TYPE.—In those states in which the Pennsylvania sub-type of rural local government prevails, general control of government is vested in a county board. This board is composed of three commissioners, who are elected by the voters of the county. In all of the Central states the county board possesses numerous powers, but the powers of the board are greater under the Pennsylvania than under the New York sub-type. Under the former plan the county board exercised four groups of powers: First, the levying of taxes and the appropriation of local funds; second, the maintenance of roads; third, poor-relief; and fourth, the supervision of local elections.

Besides the members of the county board there are a number of other county officials. The chief executive officer of the county court is the sheriff. The prosecuting attorney is an elective official, whose duty it is to conduct criminal prosecutions, and to act as the legal agent of the county. The treasurer has charge of county funds, and sometimes supervises the collection of taxes. He is elected by the people, generally for a two-year term. The clerk or auditor is an important county officer, as is the surveyor, the county superintendent of schools, and the recorder or register of deeds.

646. HOME RULE FOR COUNTIES.—Generally, county authorities are narrowly limited by the state constitution and state statutes. This has always resulted in numerous appeals to the legislature for special legislation, and has lately given rise to a demand for home rule for counties. In the effort to reduce the pressure for special laws in the legislature, the Michigan constitution of 1908 provided for a measure of home rule for counties. The legislature is authorized to confer legislative powers on the county boards, which may pass laws and ordinances relative to purely local affairs, provided such enactments do not conflict with state law, and provided, further, that such enactments do not interfere with the local affairs of any township, incorporated city, or village within the limits of the county. Such laws may be vetoed by the Governor, but may be passed over his veto by a two-thirds vote of the county board. Another step toward home rule was taken when in 1911 California by constitutional amendment empowered counties to frame their own charters, and, on securing popular approval, to put the same into effect. However, the charter thus framed and approved must first be sanctioned by the state legislature.

QUESTIONS ON THE TEXT

1. What are the three types of rural local government?

2. Discuss the nature of the town.

3. What is the origin of the town?

4. How is the town governed?

5. Why did county government develop in the rural South?

6. Outline the government of the southern county.

7. How did the mixed type of rural local government originate?

8. What two sub-types are included under the mixed type of rural local government?

9. Compare briefly these two sub-types.

10. Discuss the nature of the movement to permit home rule to counties.

REQUIRED READINGS

1. Beard, *American Government and Politics*, chapter xxix.

2. Guitteau, *Government and Politics in the United States*, chapter ii.

3. Munro, *The Government of the United States*, chapter xxxvii.

4. Reed, *Form and Functions of American*

Government, chapter xviii.

QUESTIONS ON THE REQUIRED READINGS

1. Summarize the relation of local institutions to state government. (Guitteau, page 15.)

2. What factors are responsible for the decline of the town meeting in the Middle West? (Beard, page 651.)

3. Describe the early English county. (Guitteau, page 18.)

4. What are the chief divisions of the county in the southern and western parts of the United States? (Reed, pages 222-223.)

5. What are the sources of county government? (Reed, page 210.)

6. What is a "town chairman"? (Reed, page 222.)

7. What are the two types of county boards? (Beard, pages 640-641.)

8. What is a parish? (Guitteau, page 21.)

9. Why is there a growing demand that local institutions be placed under the supervision of the state government? (Beard, pages 654-655.)

10. What are the merits and defects of autonomy

for rural local governments? (Munro, pages 544-545.)

TOPICS FOR INVESTIGATION AND REPORT

I

1. Origin of local government in your section.

2. Development of rural local government in your community, or in some adjacent community.

3. The work of the tax assessor in rural local government.

4. Investigate the powers and duties of any other county, town, or township officer.

II

5. Origin and development of rural local government in the United States. (James, *Local Government in the United States*, chapter ii; Kimball, *State and Municipal Government in the United States*, chapter xvi.)

6. The New England town. (Fairlie, *Local Government in Counties, Towns and Villages*, pages 141-146.)

7. Township government. (Fairlie, *Local Government in Counties, Towns and Villages*, pages 164-185.)

8. General nature of county government. (Munro, *The Government of the United States*, chapter xxxviii.)

9. The organization of county government. (James, *Local Government in the United States*, chapter iii; Maxey, *County Administration*.)

10. Functions of county government. (James, *Local Government in the United States*, chapter iv; Maxey, *County Administration*.)

11. Financial administration in counties. (Maxey, *County Administration*.)

12. The administration of highways in counties. (Maxey, *County Administration*.)

13. Charitable and correctional institutions in the county. (Maxey, *County Administration*.)

14. Politics in rural local government. (Beard, *American Government and Politics*, chapter XXX.)

15. County home rule. (Gilbertson, *The County*, chapter xv.)

16. City and county consolidation. (Maxey, *County Administration*.)

17. New developments in county government. (James,*Local Government in the United States*, chapter viii.)

18. Rural local government in England. (Reed,

Form and Functions of American Government, chapter xvii.)

19. Rural local government in France. (James, *Local Government in the United States*, chapter i.)

FOR CLASSROOM DISCUSSION

20. The relative merits of the town, county, and mixed type of rural local government.

21. The problem of efficiency in rural local government in your state.

22. The problem of responsibility in rural local government in your state.

23. Should rural local governments in your state be allowed a greater measure of home rule?

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The following list contains all of the references that are mentioned in the text, either as required reading, or as the basis for suggested topic work. Special mention may be made here of Williamson's *Readings*

in American Democracy, prepared as a companion volume to the text, and published in 1922 by D. C. Heath & Co.

In harmony with the general arrangement of the text material, the references in this list have been grouped under the folio wing heads: Historical, Economic, Social, and Political.

An asterisk has been placed before references that should prove of value to those who desire to build up a small working library on problems in American democracy. Works of special importance are preceded by a double asterisk.

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CONSTITUTION OF THE UNITED STATES OF AMERICA

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this CONSTITUTION for the United States of America,

ARTICLE I

SECTION I. All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

SECT. II. 1. The House of Representatives shall be composed of members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislature.

2. No person shall be a Representative who shall not have attained to the age of twenty-five years, and been seven years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State in which he shall be chosen.

3. Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct. The number of Representatives shall not exceed one for every thirty thousand, but each State shall have at least one representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to choose three, Massachusetts eight, Rhode Island and Providence Plantations one, Connecticut five, New York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

4. When vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vacancies.

5. The House of Representatives shall choose their Speaker and other officers; and shall have the sole power of impeachment.

SECT. III. 1. The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature thereof, for six years; and each Senator shall have one vote.

2. Immediately after they shall be assembled in consequence of the first election, they shall be divided as equally as may be into three classes. The seats of the Senators of the first class shall be vacated at the expiration of the second year, of the second class at the expiration of the fourth year, and of the third class at the expiration of the sixth year, so that one third may be chosen every second year; and if vacancies happen by resignation or otherwise, during the recess of the legislature of any State, the Executive thereof may make temporary appointments until the next meeting of the legislature, which shall then fill such vacancies.

3. No person shall be a Senator who shall not have attained to the age of thirty years, and been nine years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State for which he shall be chosen.

4. The Vice-President of the United States shall be President of the Senate, but shall have no vote, unless they be equally divided.

5. The Senate shall choose their other officers, and also a President *pro tempore*, in the absence of the Vice-President, or when he shall exercise the office of President of the United States.

6. The Senate shall have the sole power to try all impeachments. When sitting for that purpose, they shall be on oath or affirmation. When the President of the United States is tried, the Chief Justice shall preside: and no person shall be convicted without the concurrence of two thirds of the members present.

7. Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust or profit under the United States: but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, according to law.

SECT. IV. 1. The times, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

2. The Congress shall assemble at least once in every year, and such meeting shall be on the first Monday in December, unless they shall by law appoint a different day.

SECT. V. 1. Each house shall be the judge of the elections, returns and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent members, in such manner, and under such penalties, as each house may provide.

2. Each house may determine the rules of its proceedings, punish its members for disorderly behavior, and with the concurrence of two thirds, expel a member.

3. Each house shall keep a journal of its proceedings, and from time to time publish the same, excepting such parts as may in their judgment require secrecy; and the yeas and nays of the members of either house on any question shall, at the desire of one fifth of those present, be entered on the journal.

4. Neither house, during the session of Congress, shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two houses shall be sitting.

SECT. VI. 1. The Senators and Representatives shall receive a compensation for their services, to be ascertained by law and paid out of the treasury of the United States. They shall in all cases except treason, felony and breach of the peace, be

privileged from arrest during their attendance at the session of their respective houses, and in going to and returning from the same; and for any speech or debate in either house, they shall not be questioned in any other place.

2. No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the, authority of the United States, which shall have been created, or the emoluments whereof shall have been increased, during such time; and no person holding any office under the United States shall be a member of either house during his continuance in office.

SECT. VII. 1. All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

2. Every bill which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it with his objections to that house in which it shall have originated, who shall enter the objections at large on their journal, and proceed to reconsider it. If after such reconsideration two thirds of that house shall agree to pass the bill, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and, if approved by two thirds of that house, it shall become

a law. But in all such cases the votes of both houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the journal of each house respectively. If any bill shall not be returned by the President within ten days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the Congress by their adjournment prevent its return, in which case it shall not be a law.

3. Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

SECT. VIII. The Congress shall have power

1. To lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defence and general welfare of the United States, but all duties, imposts and excises shall be uniform throughout the United States;

2. To borrow money on the credit of the United States;

3. To regulate commerce with foreign nations, and among the several States, and with the Indian tribes;

4. To establish an uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States;

5. To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures;

6. To provide for the punishment of counterfeiting the securities and current coin of the United States;

7. To establish post offices and post roads;

8. To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries;

9. To constitute tribunals inferior to the Supreme Court;

10. To define and punish piracies and felonies committed on the high seas and offences against the law of nations;

11. To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water;

12. To raise and support armies, but no appropriation of money to that use shall be for a

longer term than two years;

13. To provide and maintain a navy;

14. To make rules for the government and regulation of the land and naval forces;

15. To provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions;

16. To provide for organizing, arming and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress;

17. To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State, in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings;—and

18. To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States,

or in any department or office thereof.

SECT. IX. 1. The migration or importation of such persons as any of the States now existing shall think proper to admit shall not be prohibited by the Congress prior to the year 1808; but a tax or duty may be imposed on such importation, not exceeding $10 for each person.

2. The privilege of the writ of *habeas corpus* shall not be suspended, unless when in cases of rebellion or invasion the public safety may require it.

3. No bill of attainder or *ex post facto* law shall be passed.

4. No capitation, or other direct, tax shall be laid, unless in proportion to the census or enumeration herein before directed to be taken.

5. No tax or duty shall be laid on articles exported from any State.

6. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another: nor shall vessels bound to, or from, one State, be obliged to enter, clear, or pay duties in another.

7. No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published

from time to time.

8. No title of nobility shall be granted by the United States: and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

SECT. X. 1. No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, *ex post facto* law, or law impairing the obligation of contracts, or grant any title of nobility.

2. No State shall, without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws: and the net produce of all duties and imposts, laid by any State on imports or exports, shall be for the use of the treasury of the United States; and all such laws shall be subject to the revision and control of the Congress.

3. No State shall, without the consent of Congress, lay any duty of tonnage, keep troops, or ships of war in time of peace, enter into any agreement or compact with another State, or with a foreign power, or engage in war, unless actually invaded, or in such imminent danger as will not admit of delay.

ARTICLE II

SECTION I. 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of four years, and together with the Vice-President, chosen for the same term, be elected as follows:

2. Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress; but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

[The electors shall meet in their respective States, and vote by ballot for two persons, of whom one at least shall not be an inhabitant of the same State with themselves. And they shall make a list of all the persons voted for, and of the number of votes for each; which list they shall sign and certify, and transmit sealed to the seat of government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted. The person having the greatest number of votes shall be the President, if such number be a majority of the whole number of electors appointed; and if there be more than one who have such majority, and have an equal number of votes, then the House of Representatives shall immediately choose by ballot

one of them for President; and if no person has a majority, then from the five highest on the list the said house shall in like manner choose the President. But in choosing the President the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the States, and a majority of all the States shall be necessary to a choice. In every case, after the choice of the President, the person having the greatest number of votes of the electors shall be the Vice-President. But if there should remain two or more who have equal votes, the Senate shall choose from them by ballot the Vice-President.]

3. The Congress may determine the time of choosing the electors, and the day on which they shall give their votes; which day shall be the same throughout the United States.

4. No person except a natural born citizen, or a citizen of the United States, at the time of the adoption of this Constitution, shall be eligible to the office of President; neither shall any person be eligible to that office who shall not have attained to the age of thirty-five years, and been fourteen years a resident within the United States.

5. In case of the removal of the President from office or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President, and the

Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice-President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a president shall be elected.

6. The President shall, at stated times, receive for his services, a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected, and he shall not receive within that period any other emolument from the United States, or any of them.

7. Before he enters the execution of his office, he shall take the following oath or affirmation:—"I do solemnly swear (or affirm) that I will faithfully execute the office of President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States."

SECT. II. 1. The President shall be commander in chief of the army and navy of the United States, and of the militia of the several States, when called into the actual service of the United States; he may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices, and he shall have power to grant reprieves and pardons for offences against the United States, except in cases of impeachment.

2. He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law: but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

3. The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session.

SECT. III. He shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient; he may, on extraordinary occasions, convene both houses, or either of them, and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper; he shall receive ambassadors and other public ministers; he shall take care that the laws be faithfully executed, and shall commission all the officers of the United States.

SECT. IV. The President, Vice-President and all civil officers of the United States, shall be removed from office on impeachment for, and on conviction of, treason, bribery, or other high crimes and misdemeanors.

ARTICLE III

SECTION I. 1. The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office.

SECT. II. I. The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made or which shall be made, under their authority;—to all cases affecting ambassadors, other public ministers and consuls;—to all cases of admiralty jurisdiction;—to controversies to which the United States shall be a party;—to controversies between two or more States;—between a State and citizens of another State;—between citizens of different States;— between citizens of the same State claiming lands under grants of different States, and between a State, or the citizens thereof, and foreign states, citizens or subjects.

2. In all cases affecting ambassadors, other public ministers and consuls, and those in which a State

shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

3. The trial of all crimes, except in cases of impeachment, shall be by jury; and such trial shall be held in the State where the said crimes shall have been committed; but when not committed within any State, the trial shall be at such place or places as the Congress may by law have directed.

SECT. III. 1. Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court.

2. The Congress shall have power to declare the punishment of treason, but no attainder of treason shall work corruption of blood, or forfeiture except during the life of the person attainted.

ARTICLE IV

SECTION I. Full faith and credit shall be given in each State to the public acts, records, and judicial proceedings of every other State. And the Congress may by general laws prescribe the manner in which such acts, records, and proceedings shall be proved, and the effect thereof.

SECT. II. 1. The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

2. A person charged in any State with treason, felony, or other crime, who shall flee from justice, and be found in another State, shall on demand of the executive authority of the State from which he fled, be delivered up, to be removed to the State having jurisdiction of the crime.

3. No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up on claim of the party to whom such service or labor may be due.

SECT. III. I. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the jurisdiction of any other State; nor any State be formed by the junction of two or more States, or parts of States, without the consent of the legislatures of the States concerned as well as of the Congress.

2. The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

SECT. IV. The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and on application of the legislature, or of the executive (when the legislature cannot be convened) against domestic violence.

ARTICLE V

The Congress, whenever two thirds of both houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two thirds of the several States, shall call a convention for proposing amendments, which, in either case shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three fourths of the several States, or by conventions in three fourths thereof, as the one or the other mode of ratification may be proposed by the Congress; provided that no amendments which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

ARTICLE VI

1. All debts contracted and engagements entered into, before the adoption of this Constitution, shall

be as valid against the United States under this Constitution, as under the Confederation.

2. This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

3. The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation, to support this Constitution; but no religious test shall ever be required as a qualification to any office or public trust under the United States.

ARTICLE VII

The ratification of the conventions of nine States, shall be sufficient for the establishment of this Constitution between the States so ratifying the same.

Done in Convention by the unanimous consent of the States present, the seventeenth day of September in the year of our Lord one thousand seven hundred and eighty-seven and of the Independence of the United States of America the twelfth. In witness

whereof we have hereunto subscribed our names.

[Signed by] G‖ WASHINGTON

Presidt and Deputy from Virginia

ARTICLES IN ADDITION TO AND AMENDMENT OF THE CONSTITUTION OF THE
UNITED STATES OF AMERICA, PROPOSED BY CONGRESS, AND RATIFIED BY THE
LEGISLATURES OF THE SEVERAL STATES, PURSUANT TO THE FIFTH ARTICLE OF
THE ORIGINAL CONSTITUTION [Footnote: The first ten Amendments were
adopted in 1791.]

ARTICLE I. Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

ARTICLE II. A well-regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed.

ARTICLE III. No soldier shall, in time of peace be quartered in any house without the consent of the owner, nor in time of war, but in a manner to be

prescribed by law.

ARTICLE IV. The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

ARTICLE V. No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.

ARTICLE VI. In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favour, and to have the

assistance of counsel for his defence.

ARTICLE VII. In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any court of the United States, than according to the rules of the common law.

ARTICLE VIII. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

ARTICLE IX. The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

ARTICLE X. The powers not delegated to the United States by the
Constitution, nor prohibited by it to the States, are reserved to the
States respectively, or to the people.

ARTICLE XI. The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state. [Adopted in 1798.]

ARTICLE XII. The electors shall meet in their respective States, and vote by ballot for President and Vice-President, one of whom, at least, shall not

be an inhabitant of the same State with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of government of the United States, directed to the President of the Senate;—the President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted;—the person having the greatest number of votes for President shall be the President, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the States, and a majority of all the States shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice- President shall act as President, as in the case of the death or other constitutional

disability of the President.—The person having the greatest number of votes as Vice-President, shall be the Vice- President, if such number be a majority of the whole number of electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States. [Adopted in 1894.]

ARTICLE XIII. Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

Section 2. Congress shall have power to enforce this article by appropriate legislation. [Adopted in 1865.]

ARTICLE XIV. Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal

protection of the laws.

Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of Electors for President and Vice-President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

Section 3. No person shall be a Senator or Representative in Congress, or Elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two thirds of each house, remove such disability.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations, and claims shall be held illegal and void.

Section 5. The Congress shall have power to enforce by

appropriate legislation the provisions of this article. [Adopted in 1867.]

ARTICLE XV. Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or any State on account of race, color, or previous condition of servitude.

Section 2. The Congress shall have power to enforce this article by appropriate legislation. [Adopted in 1870.]

ARTICLE XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration. [Adopted in 1913.]

ARTICLE XVII, Section 1. The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislatures.

Section 2. When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: Provided that the Legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the Legislature may direct.

Section 3. This amendment shall not be so construed as to affect the election or term of any Senator chosen before it

becomes valid as part of the Constitution. [Adopted in 1913.]

ARTICLE XVIII. Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from, the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided by the Constitution, within seven years from the date of the submission hereof to the States by the Congress. [Adopted in 1919.]

ARTICLE XIX. Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Section 2. The Congress shall have power to enforce this article by appropriate legislation.

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