Has Control by the Central Government Unduly Increased?

by Clarence J. Primm

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Submitted to the Department of Sociology of the University of Kansas in partial fulfillment of the requirements for the Degree of Master of Arts
Master Thesis
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Has Control by the Central Government Unduly Increased?

C.J Primm.

The object of government, according to the highest modern conception, is to serve the best interests of the people as a whole, by the most advantageous use of processes both just and equitable. The modern government always shows two divisions, the central and the local, and many modern governments show more divisions. United States supports central, state, and local divisions of government, each with practically the same separation of governmental powers, i.e., into administration, legislation and adjudication, all of which may be used for the ultimate benefit of the people.

The fast-growing popular conception is that the government -- supposedly of the people, by the people, and for the people -- should be a servant, working for their best interests as the people see them, working to satisfy their immediate and most spectacular desires. At the same time and in the same popular mind has arisen, not without foundation, the idea that the existing governmental agents have not done and are not doing full duty in this direction.
These popular ideas present, among others, two difficulties: first, that the popular mind does not -- probably cannot as a whole -- realized that the apparent needs of the people are not always identical with their real needs; and, second, that manifestos, legislation, and decisions alone, from any source, cannot determine the social or economic welfare of a nation.

These considerations must be given due place -- these facts must be recognized and acted upon -- if the government is to be allowed to subserve its real function according to the best modern conception. The second of the two difficulties just mentioned was distorted and magnified by Adam Smith and his school, with the result that we are only just now escaping from the direct influence of the laissez faire doctrine preached by them.

Over a small nation or over a primitive nation, government may be a simple problem. Processes are more nearly adequate to functions, because functions are few, simple, and within the ken of every man. Man controls the processes of government, but the functions are controlled by nothing short of the religious, moral and economic evolution of the nation in question. Political evolution is the result of man's efforts to adapt processes created by him to the performance of governmental functions arising through these other

* cf. Ernst Von Halle, "Trusts" p.5.
forms of evolution. Once this chain is started, political evolution itself becomes a factor in producing new functions of government. And, from the Socialist's standpoint, the possibility of the government developing and performing these functions becomes limited only by the degree of civilization of the people concerned.

While affirming with the Socialist that the larger the nation the more and greater will be the functions of its government, and that the more complex the nation's civilization the more complex will be the governmental functions, we make the reservation that there are economic activities—and even activities recognized at present as matters political—which cannot properly be classed among governmental functions if our modern standard is to be subserved.

And it is also evident that some functions of government belong in, or are best performed by, the central division; some, the state; and some, the local.

A nation's steady growth and progress depend upon the maintenance of a condition of equilibrium between the various radical and conservative elements found in its social composition. To maintain this equilibrium, control of some sort is absolutely necessary. The demand for this control is determined by the number and complexity not of governmental functions alone, but of social activities; in other words, by the size and civilization of the nation. In primitive times

* e.g. "Spoils system," "Log-rolling," etc.
social activities were simple and not wholly separated; consequently no intense control was necessary. Later in the development of civilization the same centre of authority was called upon to exert far greater intensity of control by reason of the increase and diversification of social activities. This principle is well illustrated by the instance of the mother of two children who found herself under less nervous strain in the control of her charges than was the woman who had six children, and found also that neither she nor the second woman was under the strain which called forth all the controlling energy in the good matron of an Industrial Reformatory.

The larger the social group and the higher the civilization, the more intense the control to maintain the social equilibrium necessary to social progress.

Because there are social activities* not functions of government as such, we shall modify the term "control" by the word "governmental," so that it will apply not to all social activities, but only to those which are governmental functions. These functions may or may not be exercised by the government. In so far as they are not exercised, or are

* Lest the reader be confused by the apparent use of "social" and "economic" as synonyms, it should be said that the writer regards "social activities" as including religious, moral, economic, political and other sorts of activities of society, but uses the term "social" sometimes as co-ordinate with "economic" and "political", as a blanket term covering all other forms of social activity. The word is used thus in the definition of a governmental function on p.5.
imperfectly performed, just so far is that government failing in its primary function or object -- the service of the people's best interests.

Now, what is a governmental function? Manifestly, it is a certain phase of social, economic, or political activity which can be turned to the ultimate advantage of the whole people best by the intervention of governmental control in proper form and degree.

Very many of these functions are strictly local in nature and need no more than a perfected local machinery for their adequate performance. Then there are functions not necessarily performed by larger powers than those possessed by the state; and, finally, there are many functions which no power short of that of the central government is able adequately to perform.

The first of these classes we may pass without discussion. The second presents a more serious problem. (1) The present hierarchical arrangement of the judicial system, (2) the utilization of state areas for educational, mercantile, industrial, agricultural, forestry, mineralogical, electoral, military, and local-option districts, and (3) the opportunities offered for political training, all seem to justify the continuance of the various state governments.

On the other hand, the inadequacy of state powers is such that no vital social, economic or political problem can be solved by their agencies. This incomprehensiveness of state power can not be escaped, but politicians and "State's
Rights" men like to forget that fact; they do not like to hear men talk about increased centralization, for such talk seems to them to be a dangerous tendency toward making the state nothing but a big parish with none other than local powers.

Naturally, with such a feeling, the men next to the state's pocket-book and close to the state's hall of fame take great care to smother any dawning recognition of their true value — or lack of it — by the voting masses. Great activity is manifest in all state legislatures, thousands of bills being passed each year. This attracts the attention of the public and gives the legislators a reputation for being busy and zealous. But there is a growing feeling among the people of the various states that the most dangerous period is the one during which the legislature is in session. It is not known what the "representatives of the people" may take it into their heads to do. In short, state governments lack in marked degree the responsibility, or the capacity for meeting responsibilities, necessary in any organization which will meet the demands of social order and best serve the interests of the people.

* cf Life of H.W. Grady, by Joel C. Harris, pp.142-157
"State Rights & Federal Encroachments" by J.S. Fisher in Amer. Magaz. of Civics, v.6, p.533 (May '95)

Message of Pres. Roosevelt, Apr. 27, '08
Speech of Taft, Sec'y War, in Boston, Dec. 30, '07.
There is not a state government in our country which can not be charged with excessive expense, irresponsibility, waste of energy, and subversion to personal interests in some form or another. So marked is this condition of affairs that the "power that moves" the governmental machinery is often recognized to be in this "boss," or that "ring" of politicians, and not really in the people.

Another difficulty lies in the way of the state's assumption of many functions; which is that the state is not the final sovereign -- in fact is not at all sovereign in the proper sense of the word. There can be but one sovereign in a Federal government. In spite of this fact, the bulk of the more important laws passed by the state legislatures in the last few years affected interests which were not confined to any one state, or which, so confined, reached consumers in several states and met the competition of similar interests in other states. The lack of uniformity among the states in social and economic legislation, and the possibility of such uniformity under the central government is one of the interesting phases of our present political development.

* cf A.D. Stickney, "The Railroad Problem" p.216
  Files of Topeka Daily Capital for 1907 and 1908, for what has been exposed this past year; as, see T.D.C. 3/14/08 for Pennsylvania corruption.
  Speech of Philander C. Knox, Feb.11,'08; mentions taxation of passengers in interstate traffic -- see T.D.C. 2/12/08

** cf U.S.Constitution, Art.I,Sections 1,8,10; Art.II Sec.2; Art.III,Sec.2; Art.IV,Sec.3; Amdmts VI and XV.
In view of this general inadequacy of state power for any wide use, it seems reasonable that the second class of functions mentioned -- those not necessarily performed by larger powers than those possessed by the state -- be limited to three items:

1. Functions strictly sectional in character.

2. Functions already properly and uniformly exercised, and not subject to quick modification.

3. Functions of administration and enforcement of central laws within state boundaries, for sake of convenience.

Functions strictly sectional in character are growing less, both in number and importance, in this stage of civilization. Certain parts of the educational system, local milk and water supply, local light, heat and power, and electric car service, local building, sanitation and drainage, and other examples of sectional functions which may yet need no central control, might be mentioned.

Functions already properly and uniformly exercised, and not subject to quick modification, are in a small but growing class. For instance, certain acts against social order are designated as crimes in all of the states; the value and need of a state university and an educational system is uniformly realized, and more or less uniformly these needs are met.

On the other hand, the marriage and divorce laws and the

# (from p.7) cf Bulletins, of Comparative Legislation, of the New York State Library.
remedial and corrective systems are not uniform in the various states, nor is the efficiency of their various educational systems uniform. An example of a function fairly uniformly, but quite improperly exercised by the states is taxation; the whole system from top to bottom needs replacement rather than revision.

Functions of administration and enforcement of central laws within state boundaries are not now exercised by the states except in so far as those central laws apply to the organization of the states themselves -- even here the real enforcement lies with the central government. But, if state officials are to be paid for working over a certain territory in behalf of state laws, why not utilize them also for the administration within their respective territories of such central laws as can be executed by officers with their limited jurisdiction? In Germany, with a more perfect administrative machinery, the local officers are utilized for the administration of national laws. (cf F.J. Goodnow, "Comparative Administrative Law," v.1, p.314.)

By having the laws of national import enacted by the central government, uniformity would be secured and a large part of the expenses of the forty-six legislatures might be avoided. And by having many of these laws administered by the same officials as administer state laws, there would be escaped much of the expense of supporting two sets of officers in one section of the country, and the sovereignty of the
nation would dignify the officers and stand behind them.

Those advantages can be made into assets for the people by the development of this third group of functions which we have said should be allowed the state. These three groups of functions constitute the proper field of state activity in the United States today. But have the states stopped here? Everyone knows the answer. The states have not stopped here. They have, at times by reason of popular clamor, and at times by reason of legislative self-interest, presumed to attempt the control of national issues. This presumption has had a paradoxical effect. It has served to keep alive the interest, from a governmental standpoint, in the questions at stake, and at the same time has given the central government an excuse for doing almost nothing until the legislation of the states has been tested.

Men point to the history of our country and argue that the states had to take hold of these issues because the central government was not doing so. This argument is fallacious. The premise is not proven -- i.e. that all these bits of regulation had become so necessary pro bono populi as to be functions of government. (It is admitted that many abuses needed correction -- and most of them still need it.)

* of Wabash, St. Louis, & Pacific Rwy. Co. vs Illinois
118 U.S.Rep.557
Rob't Mather, "How states make inter-state rates"
The argument itself is weak in that it assumes that if the central government does not perform one of its functions, that function falls upon the state by default. And these men are they who so strongly advocate a clear-cut distinction between state and national powers and jurisdictions!

The attitude of the men making the argument in question, although rather faulty, is not wholly their own fault. Neither they nor the people at large have as yet been able to see that there is a limit to the social energy actually spent upon the task of government, and that if less of the popular attention were centred upon the glorious but inadequate state organization, and more upon the central government -- the agent of the sovereign -- the much desired speed and decision of operation would become, as a matter of short course, a characteristic of the central government.

No government serves its people any better than they demand to be served. The service may ultimately be rendered in a different way than the people suggest by their clamor, but without some degree of popular agitation service in a new direction will never be instituted, and service in the old directions will degenerate and become corrupt. To obtain the utmost efficiency and wisdom in the performance by

* "If Congress does not regulate commerce, it does not wish it done." Licy v Hardin 135 U.S.Rep.100
the central government of all its proper functions, the men of the forty-six states have only to quit operating marionette shows in their respective state-houses and turn their attention and thoughtful demands upon the central government, leaving the state machinery unencumbered to perform its own peculiar functions.

No government is perfect, certainly not that one which has to spend a large amount of its energy protecting its own functions from the states, which attempt to seize them though not being able to perform them. As soon as the social group comprising the people of each state breaks away from the psychic thrall which holds them under the leadership of self-interested politicians, and dissolves the sentiment-alism which has held them loyal to the "old party ring" regardless of its being right or wrong and regardless of its ability to serve the real interests of the people -- as soon as the people make this break and devote more of their real thought and power to the central government, just so soon will begin the era of effectual governmental control for which those very people have so long and violently sighed.

For one illustration of states' assumption of national functions we have only to call to mind the Granger laws for the regulation of railways. It is remembered that the

* cf Ross, "Social Control;" bottom, page 84.

** cf Stickney, pp. 72-113
H.S. Haines, "Restrictive Rwy. Legislation," p. 218
Noyes, "Government Regulation of Rwy. Rates,"
result proved unsatisfactory for both people and railways. This example is not quite the best one, because our nation is now a third of a century older, and its social structure much more complex, than at that time.

A better mode of comparison is to note the important laws on social and economic issues which have been passed since 1900 by the states, and then to note the number of laws of the central government in the same field. To be as brief as possible, and yet somewhat specific, we select a column of general heads under which state laws have been passed since 1900. In a second column we note the number of state laws of importance passed under those heads in the time specified; in a third column we note the number of national laws passed under those heads in that time; and in a fourth column we note the entire number of national laws ever passed under those heads. Thus:

* cf New York State Library Bulletins;
  for 1901 laws, Bul.72, Legislation 16.
  " 1902 " " 79 " 18.
  " 1903 " " 86 " 21.
  " 1904 " " 91 " 24.
  " 1905 " " 103 " 28.
  " 1906 " " 110 " 32.

** cf United States Statutes at Large, 1789 to 1906, incl.
  vol.1-5, incl. and vol.9-34, incl.
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*In addition there were permits for bridges and special rights of way, by cent'l Gov't; 116 464

#Bridges & Dams auth'd in addition; 213' 639
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* Library laws are all specific — granting aid to, or establishing some local institution.

Remarks concerning the central laws:

The central laws on the subjects, Family, Divorce, Penal, Charity, Health, and Education, are applicable almost alone to the District of Columbia and the Territories, and not often to the Federal area. The Safety Laws most often concern vessels, life-saving, lights, and buoys. Commerce and Trade Laws consist largely of those which provide for the immediate shipment of goods which might be held for inspection at the custom-house. Corporation Laws are mostly specific acts for one occasion, and seldom have a general scope; the Banking acts are mostly for the purpose of changing the name or location of some particular bank.
By these figures we see that the states have been zealous beyond their proper spheres in their endeavor to control interesting and vital public issues of this nature. We do not advocate laissez-faire -- we are against it; but we would have the functions of government performed each by its proper organ.

We have defined a governmental function so that all readers may know the test by which a function is proven and classified. (see p.5) We have said that governmental control should be exerted in three forms, each form over one general class of functions; local, state or central. We omitted from the discussion the functions of strictly local government, and have shown that the state governments have not confined themselves to the exercise of their proper functions, thereby hampering the central government in several ways.

And now we come to the discussion of the third class of governmental functions; those which no power short of that of the central government is able adequately to perform.

Our table shows us that the central government is not exerting its share of the control in several different fields. Some few steps have been taken in this direction, but these must be made more rational and steady or our whole organization will before a very great time suffer disintegration much as does the defective flywheel -- according to the law of the tangent.
Should the central government seem to be overloaded, and unable to attend to the additional business which we would lay upon it, a larger efficiency can be developed by the application of more social energy. If a duty or function belongs to a government, then that government faces the necessity of doing its duty on pain of ultimate failure and disintegration. Our central government is carried on chiefly by the committee system, and whenever duties demand it those committees can be increased in number and size. In many ways our government can meet its obligations. With the present conservatism in governmental machinery overcome to a safe extent by an awakened populace, no serious difficulty would arise.

Reasonably it might be feared that the central government could not, should it try, enact wisely and without long delay sufficient laws to cover all points which we have said belong under the control of the central government. Past history indicates that each nation threshes out its own problems to a large extent, rarely profiting much from the experiences of other countries which may have settled the same issues under somewhat similar conditions years earlier. Yet it is possible for our central government, in the enactment of control measures, to profit directly from the methods and experiences of England and from a study of governmental control in other countries of Europe and Asia. But possibly of Simon Sterne's Report on the Rwy systems of Western Europe, in 49 Cong:2 Sess: Misc.Doc.66, Shelf No.2451.
the most valuable aid would come from a careful and scientific study of the peculiar economic conditions of the United States itself.

Nations not so large nor so complex in social structure have outstripped us in certain phases of government; some governments as a whole are more efficient than ours, doing more often for the people the right thing for the people at the right time. But there are not more than one or two nations which approach the United States in size or social complexity which at the same time have as complete a system of governmental machinery. It is natural that the smaller and simpler nations should earlier display excellence in the science of modern government. Evolution of the greater mass comes slower. By reducing waste, eliminating friction, performing functions through proper organs, stimulating popular intelligence and interest, and by many other social procedures, this evolution may be hastened — by these means we would make our whole government serve its true purpose in the best way.

We have agreed (pp.8-9) that each state properly may be allowed to attend to certain issues of national interest, such as education, already provided for within her boundaries; and that whenever possible the state machinery already existing should aid in the administration of some functions of national government under final direction of and responsibility to the sovereign of which that government is the agent.

* As, for example, Switzerland. cf. C.E. Russell in Everybody's, 14:469, April, '06.
Now what are some of the functions for which the central government is by its nature and position responsible? Take for instance the column of headings in our table on pages 14 and 15. If for no other reason than that it would conserve desirable uniformity, the central government should have ultimate control in these fields and several more.

The social mind is just now exercised over the questions and problems of Labor, Transportation, Monopolistic Corporations, and the Liquor Traffic. Insurance, Stock-gambling, and Public Health and Safety as a whole, also periodically produce smaller agitations. A third group of problems, now being wrestled with by the students and thinkers of the land, though not as yet actively attacked by the public at large, comprises the Penal, Corrective, Remedial, Charitable, Pension, Forestry, Trade and Commercial, Agricultural, Family and Educational problems, and the problems of public morals, more properly called individual morals.

Ethics and morality, as such, being demanded increasingly in business and government -- the result of a quickened social conscience. But the popular impression still exists that an individual need not answer to society for the plane and influence of his private life. Real education and the inculcation of altruism will remove this false impression.

There are still other problems which present themselves as important in the social field, such as the military system, the control of mobs, and the keeping of the Sabbath.
This classification of the social activities into four groups is on the basis of the amount of public attention they receive. Another classification could be arranged on the basis of the amount of governmental control in the fields named; and still another on the basis of the need for control by the central government in those fields. The latter idea — the need for control by the central government — is the crux of the remainder of this paper, although our attention will be confined chiefly to the subjects uppermost in popular thought.

In the consideration of governmental control in the field of Labor, the first topic coming to mind is that of Trade Unions. The questions arise — "Is the Trade Union movement, as such, justifiable?" and "To what extent should the government control it?"

We know that there are many problems arising from year to year which are settled as they are for the reason that the trade unions demand and enforce such settlement. Most of these problems and disputes lie between the employer and his union employe. Some which arise, and which would not have arisen without the existence of the organized trade union, have to be carried to the judiciary or to boards of arbitration in order to be settled.

 Granted that the employing class had the advantage prior to the advent of the trade union and collective bargaining, let us enumerate some of the phases of trade unionism which
have led to economic as well as social conflict.

The modern trade union has two main classes of functions; one fraternal, a remnant of the old-time "purse" and benefit policies; and the other progressive, the modern movement to promote the power of the industrial class, and to improve the lot of Labor. The progressive policy or function of the trade union is seen to be operative along two main lines: the effort to standardize the conditions of employment by the enforcement of the common rule fixing minimum pay and maximum hours; and second, the idea of the restriction of trade and of output.

The methods of enforcing the progressive features are the strike and the boycott, there being more than one variety of each. The trade union has stood for the common rule and collective bargaining, against industrial parasitism¹ and the sweating system, for the able-bodied man as a labor unit, and for apprenticeship, for the close shop and often for the

¹ i.e. employment of women and children instead of men, where possible.

* of S. Webb, History of Trade Unionism, Cap. 8
  R. T. Ely, Labor Movement in America, Cap.s 1, 2, & 3

** of H. and B. p. 237
  S. & B. Webb, Industrial Democracy, p. 560

  J. R. Commons, Trade Unionism & Labor Problems, see index: "restr. output" pp. 107, 227, 235, etc.
  "boycott" pp. 170, 178, etc. also see "strikes."

# of Industrial Commission's Report, vol. 17, pp. 2-32, 321-46
close union. In the effort to gain concessions in the different trades we know that the frequent use of the strike has brought the trade unions into conflict with the law. The right to strike has been granted grudgingly. Peaceable picketing is lawful, but courts have said that no effective picketing can be peaceable. The issue of the strike is coming more and more to depend upon public opinion. Although the union has lost ground on one hand, by reason of its striking proclivities, it has gained on the other hand very greatly, many of its aims having been wholly or partially attained.

But there are some things which are incorrectly attributed to the action of the organized trade union. In reviewing the conditions of the modern laboring class, we find that within the last fifty years the money wages have doubled, the real wages amount to more and better goods, and the hours of employment have decreased. As a matter of history, the most of this improvement occurred before the rise into power of the trade union movement, and without its aid. Not only that, but it has practically made possible the organized trade union. Once instituted, the trade union has attended to several new demands, and several modified details of the older aquirements, and has so pushed itself into the fore-

* cf Adams & Sumner, Labor Problems, Cap.VI
Ely, Labor Movement in America, Cap.VI
Cogley, Strikes and Lockouts, pp.305,311,320,353

** Arthur Jerome Boynton, A.M., Lecture 1/29/08 before class in Trade Unionism, University of Kansas.
ground as almost to hide the real causes of the present economic status of labor in the United States.

The trade union finds its justification, then, not in the main points of economic progress of the past, but in the attempt to restore or bring about the condition of justice between the employer and the employe.

Until recently, the trade unions have conducted themselves with considerable dignity, barring one or two rash disturbances, but now has become evident the change which has been creeping for some little time past through the trade union leaders, if not through all the minor unions themselves. We refer to the change from the straightforward demand, the willing conference and arbitration, or the open strike, to the policy of undertaking measures so questionable that they are continually subject to injunction, and of encouraging practices which drag down our newly created ethical and moral standards. We now find the unions: hectoring, finding fault with, and contesting the government at every opportunity; cultivating the unfair list, often without giving reasons for placing names thereon; and opposing all increase or aid to the standing army -- which, if they only realized it, is largely employed in building and operating government-owned enterprises and in keeping open large markets for the goods made by the American trade unionists. The trade unions also

McClure's, July, 1904 "Great Strike of 1894" G.Cleaveland

** Cooke, pp.26,30,ff & notes. Commons, pp.54,108.
Rept.'01, U.S.Comm'rif Labor, Cap.III
oppose all state militia and trained military bodies, and they have joined hands voluntarily with the liquor interests -- the most inexcusable pest of our land -- pledging union support in return for the use by liquor men of goods bearing the label certifying union workmanship. This manifold policy of questionable sentiments is an attempted short-cut across the fields of public safety from the highway of social evolution to the alley of chaos and degeneracy.

Feeling its power repeatedly, the trade union has become so aggressive that it has incurred the displeasure, anger and fear of the employing class, varying as the circumstances. In its relations to commerce and industry the trade union has been found on dangerous ground. The Supreme Court of the United States has declared it a conspiracy in restraint of trade where boycotting manufacturers with an interstate business. (See Topeka Daily Capital, 2/4/08). If the law on

2. " " 2/5/08.
3. T.D.C. 12/27/07. Several state courts have given similar decisions in cases arising from local conditions; the reference is to an action in an Ohio Ct. of Com.Pleas.

From p.23:
** "Boycott subject to an injunction" T.D.C. 10/20/07
"Telegraphers plan another strike" " " 12/27/07
"Arm citizens to resist militia" " " 11/19/07
"Fight to the last ditch" " " 11/19/07
"Declares war to the knife on manufacturers T.B.C.11/13/07
"Union leaders in contempt of court" T.D.C. 1/4/08
# cf Sci.Am. je 22/07, edit. on "Law & Railway Accidents"
Stone & Webster, Public Service Journal,Mch'08,p.623-5
## H.Bolce, in Appleton's 12/07-"Uncle Sam, Owning & Operating"
which this decision is based is righteous and for the people's interest, then no exception should be made to it in favor of trade unions, notwithstanding the opinion of the President of the United States to the contrary.

The ardent partisanship of the trade union has proven its stumbling-block, an obstacle in the way of its allaying entirely the antagonism between labor and capital, and hence in the way of its attaining the end in the attempt to gain which lies the only real justification of trade unionism, namely, justice between employer and employe. The unconscious arrogance with which unionists view the economic situation proclaims that they are not yet educated to the degree necessary to observe the distinction between economic independence and political independence. They recognize only that there is a relationship, and are now proceeding to dictate to the government -- conducted supposedly by men who have had some experience in that line -- what should be done;

* "Plans for Union men" T.D.C.2/10/08
Messages of the President, Dec. 4, 1907 and April 27, 1908

** "Levy one cent to help at Los Angeles" T.D.C.11/24/07
Haines, p.140
American Federationist, Aug. 1905, XII-8,p.312
Colliers Weekly, XLI-2,4/4/08,p.24; and T.D.C.3/20/08 tell how, on Mar. 19, 1908, Samuel Gompers and a delegation representing 87 labor unions presented to Congress a memorial strongly criticizing the courts for applying the Sherman Anti-Trust law to workers, organized and as individuals. The memorial urges Congress to amend the Sherman act so that it will apply only to associations organized for profit and with a capital stock, to limit the issue of injunctions, to extend the 8-hour law to all men on government jobs, and to pass an employers' liability law. Only the last request has been attended.
instead of patronizing the polls on election day as individual citizens, each with his own individual idea as to whom he wishes for executive or representative, and why.

Writers are excitedly asking the question, "Shall the government own the railroads, or shall the railroads own the government?" but they are not asking so hard a question as that concerning the control of the trade union. For the railroad can be brought under the power of the sovereign, but the trade union mass well-nigh constitutes the sovereign. Each division of the American trade union world represents a mass of votes. Although in Europe the Labor parties make more of a political showing than in América, it is not because they constitute a larger part of the population; it is because they have entered the political field to a greater extent. Indications are that these masses of American votes will be, from now on, swung by their leaders this way or that, as never before in our history, until the limit of human endurance has been reached and a revolutionary change occurs in our democracy.

Although the final power, the sovereignty, rests in the masses of the people in the United States, it is by no means certain that the masses of the people are fitted to wield, without wise guidance, this power intelligently, economically, and to the fullest social advantage. Attention has already been called to the fact that the social energy is not now applied in the proper places and proportion to solve the
national problems. It has been the blessing and the salvation of the country in many times past that there have been competent representatives of the people in the high places of government -- representatives who stood and were accepted largely because of the wisdom or strength of their policies, and because the majority of the individual voters of the land believed therein. But now, behold the trade union attempting to set up policies which statesmen are to refuse to accept at their peril, and for which the solid trade union vote may be forced to the polls; policies which are not the results of the careful thought of trained statesmen, nor even of the social mind as a whole, but rather the imperfectly veiled embodiment of the main points of the trade union program, much of which is not suitable for transplanting directly from economics and industrial science to politics and political science. Legislation and the other operations of government can and should be made to serve good economic ends, but when intentions of this sort lead to misdirection of effort, to political futilities, it is time to call a halt and treat the situation more reasonably.

From the stand-point of the people as a whole, and of the government, there is no wish or need to disturb the union movement in the least so long as that movement proves itself beneficial and not detrimental nor inimical to government and

* "Organized Labor after Cannon's Scalp" T.D.C. 11/28/07
the general social welfare. The stronger the trade union becomes, however, until it becomes intelligent along with its strength, the stronger must become the control -- potential or active -- by the central government. The central control must keep pace with the growth of trade unionism under these conditions to the end that order may be preserved, that no sudden shifting take place to cause loss, suffering and demoralization among the people, and that new issues and policies may be subjected to careful tests.

The idea, lately advanced, that the trade union should not be held accountable for its financial condition, as are the corporations, and should not come under the Sherman Anti-Trust Act because not an association for profit, seems rather narrow, to say the least. Despite the federal law allowing the incorporation of trade unions, the unions do not wish to become incorporated on the ground that such an event would make them more liable to legal action. Yet the courts have said that the union may be sued in the name of its officers for damages and for recoveries, and have decided that unions and union men are liable for illegal acts done on the responsibility of either. And now the unions wish to escape from these limitations: they wish to be placed beyond the reach of every law on the statute books which does not directly favor them. That is the sum total of their attitude in this matter. It is noticeable that they are ready and eager to take advantage of any chance to gain legislation or any sort of legal
action in their favor, but when existing laws are invoked against them, they claim that they are not as other folks, and should not be expected to keep all laws. The "not-for-profit" argument is sieve-like. For what else are the trades organized? Surely not merely for a social good time! And if a trade union restrains trade, why should it not be penalized just as readily as a private person or a trust should be penalized for the same misdeed? If unions are to be especially exempt from all restraining laws, or from part of the restraining laws, what is to prevent the leaders from controlling, through the "benefit," or insurance, department of the union, the industrial and political policies of the laborer; (for we have said that these are yet somewhat confused)?

The burden of providing for and guaranteeing evolution rather than revolution, in this field of Labor, lies upon the central government as representative of the whole people; there is none else to discharge this function.

In other words; upon the central government rests the responsibility of protecting the whole people against extreme and ill-advised actions by part of the people. In as much as this function is growing, rather than becoming obsolete, has control by the central government on this point become unduly great? Who is there to say, in the face of these developments, that governmental control should not be extended over the trade unions, and that immediately, in order to insure a safe degree of conservatism for a period long enough to en-
compass the education of the new laborer — the product of the industrial revolution — in the art of dignified and sane government, and in the principles of that justice which he professes so much to desire?

How is this to be done? There are several ways open. As in the recent past, series of suits and court decisions on urgent points, like the tap-tap of the stone-dresser’s hammer on the rough rock, may be used to wear away the sharpest corners of trade procedure. Or legislative action may define and forbid: first, trade union action in the industrial world without showing the same consideration toward employers which the union demands at their hands; and, second, action of the trade unions as such, in the political field, by any method of causing men to cast their votes for one candidate or one issue as against another.

Or the administrative department of the government may keep a check on the trade union movement by a system of auditors, inspectors, and required reports, the two former having power to enforce all law concerning labor, organized or unorganized, whether in regard to the laborer or to his employer: We need better labor laws and better execution of them; this system would supply the latter need. Or the whole government, profiting by European, Australasian and American experience, may enact, adopt, and enforce a simple code of

* of Commons, Cap,8 = H.W.McCroisty on "Australia"
H.D.Lloyd, "Country without Strikes"
labor laws covering in general the whole field, showing no favor to any man or class, and establishing as nearly as can be done by law an equitable basis for the further progress of society.

Outside the ranks of unions and unionism are the millions of unorganized laborers, skilled and unskilled. These, as well as the union men, are affected by all laws regulating conditions of labor. Restrictions on the labor of women and children, although advocated chiefly by the union classes, raise the standard of living among the unorganized groups as well. But when it comes to laws relating to union associations, the unorganized laborers are not thereby directly protected or restrained, either in their economic life or in their dealings with particular employers. Acting singly, they lack the advantage and power of collective bargaining, and in a dispute can only fall back on the civil code applying to individuals. Suits at law are beyond the means of the ordinary laborer, and so he is at the mercy of the unscrupulous employer unless he joins a union — and that course too often has its disadvantages. It would seem that here is an opportunity for the government to take a step forward and, as suggested in the last paragraph, give the individual laborer the same opportunities under the law as would be given the union laborers. This would in itself take away one large incentive to turbulency in the unions.
We submit that such control as suggested would not hamper the social efficiency of any union — in fact, would enhance it — and would not prove onerous to the honest, solid union. This conceded, it follows that control by the central government over the field of Labor has not unduly increased.

Closely second to the field of Labor in drawing public attention is that of Transportation. Here are many inconsistencies to invite the public resentment, and many faults which make against the best interests of the people. But there are many factors of the problem, historical, social and economic, which are not appreciated by the public at large, and which may modify the desirability of governmental control in this field, or at least modify the form and degree of such control as is clamored for by the people.

In the discussion of transportation problems we have, if possible, a collection of more varied and incompatible opinions and viewpoints than have we in the Labor discussion. Labor issues are recognized more generally to concern the people both as a mass and individually — the field is not so specialized, if we may so use the term. But in Transportation the whole public does not take so much part in the production (or the business of conducting transportation) as it does in the use of facilities after they are furnished.
Consequent upon this, of course, is the demand that proper and adequate facilities be furnished at fair rates. More technical points thus become involved in the general discussion of Transportation than in that of Labor.

The business of transportation within our country is for the purpose of moving people and commodities about from place to place, and depends upon the relation between the expense of moving the person or article and the demand for movement — or place-value of the thing moved. This relation is often affected by the desire of the transporting company to handle certain traffic at any price.

Of the two general methods of transportation — land and water — perhaps the former has produced the greater effect upon the country and its inhabitants, but the latter does not lack in importance. The "Canal Era," from 1820 to 1850, had its triumphs and its problems. Governmental aid or ownership was the rule, with a large degree of governmental control. Although this control was by state governments it was essentially the same as control by the central government would be at present if exerted over a national system of waterways, because seventy-five years ago the state was as large an area according to the means of transportation and communication as is the nation today. To a statesman of that day a state loomed almost as large as does the Union to the modern statesman. This partly accounts for the old

views of states' rights and divided sovereignty, and explains why these views have given way before the ideas of centralization and one sovereignty. This is one reason why the most rational step in the promotion of a large interstate system of waterways is to place the control in the hands of the central government. The people's interests may have been efficiently served a century ago by the limited state government; now those interests are no longer so localized that the state government can perform the same functions as before. In the construction of waterways the small channel and the small carrier are now of no value. The railroad can conduct transportation even of bulky commodities with such ease and cheapness as to allow of the profitable operation of only the large water channels and carriers -- enterprises of such magnitude that private individuals can scarcely promote them and state control can scarcely cope with them.

In another paper has been discussed the history and development of inland waterway transportation in the United States -- how at first the small channel and river improvements aided commerce on the Atlantic seaboard; how then the seaboard and the inland waters were connected through the canal systems of New York, Pennsylvania, Ohio, Indiana and Illinois; how St. Lawrence, Great Lakes and Gulf projects have been in mind for years, a Senate Committee reporting one favorably in 1874; and finally how the new Inland Waterways

Commission has begun plans for a vast Lakes-to-the-Gulf ship-canal system, with river, rail and canal feeders. This, with the new Erie ship-canal planned by New York, will not only present problems of management and control, but will also have a marked influence on the volume, rates, and quality of traffic on the railroads, which agencies we shall soon discuss.

For the reason that the Lakes-to-the-Gulf scheme is so vast, so expensive, and so beyond the limits of the interests of any one state, the central government is not unduly increasing its control by extending it over this

* The scheme announced by the Inland Waterways Commission in all its breadth is as follows: (cf Kansas City Star 10/20/07)

With the Mississippi river as the main artery, all the navigable waterways in its valley are to be improved. These are, specifically, the Lower Missouri and part of the Upper, the Lower Platte, the Kaw, the Illinois and Deep Waterway thence to Lake Michigan, the Ohio to Pittsburgh, the Monongahela above Pittsburgh, the Cumberland, the Tennessee up into Alabama, and the Arkansas and Red rivers up into Texas. So far as possible the Mississippi valley rivers are to be linked by canals. In addition to all this, a connection is planned with the Red river of the North. This will give an outlet into Lake Winnepoc, whence, through a chain of lakes and down through the valley of Nelson river, lake and canal communication for large boats eventually may be had with Hudson Bay.

On the south, the mouth of the Mississippi is to be connected by the "western inner passage" with Texas ports and the Rio Grande. This would make Houston a seaport. (Sat.Eve'Post, 11/9/07,p.3). Also, by the "eastern inner passage," navigation is to be opened from the mouth of the Mississippi to the Bay of Mobile, and through the Suwanee river across Florida to the Atlantic. Coastwise channelization of the sounds on the Atlantic coast is also contemplated.
system. Men say that the government should control the railroads instead of wasting funds on canals; or, that the government should own or control both railroads and waterways; or, that the government should not meddle with these affairs at all. We would remind all these classes of fault-finders of the definition of a true governmental function, as given on a previous page. Evils are seen in every arrangement -- the trouble is that most men are looking for the evil an a system, instead of for the good, and they find it.

For the reason that it is unwise for one state, already strategically situated economically and grown powerful politically, to be allowed exclusive control over an agent of transportation as influential throughout the whole country as will be the new Erie ship-canal, the central government should be accorded sufficient control over the same to guarantee its sane and reasonable use for the benefit of the whole people. This degree of control is probably provided for by the Interstate Commerce Law, (cf U.S.Stat.at Large, 59 Cong. 1st Sess. Pt.1, p.584, Cap.3591) though there are yet no court decisions to be cited on this point.


Governmental control over railroads is a different thing than over waterways. Waterways are not, so far as the individuals or corporations operating them are concerned, by nature monopolies, and can not be made such except by law.

A railroad is a natural monopoly, and grows into a transportation monopoly in any section unless a competitive road taps the same territory. On a waterway, unless prohibited by law, any one can have a motor or a carrier limited in size only to the channel accomodations. On a railroad the company owns the propelling force and most of the carriers, and can not allow any confliction with its schedule. Otherwise traffic is a physical impossibility. One more consideration to be noted lies in human nature -- and also especially in corporate nature -- and was well expressed by George A.D. Stephenson when he said, "Where combination is possible, competition is impossible."¹

Under the competitive system now the basis of economic life we are told that a private monopoly -- that is, an abolition of competition by means other than legislation or governmental action -- is less beneficial to society than is healthy competition. This is the view of those who have seen the combination of two one-time competitive railway

¹ cf Von Halle, "Trusts" p.38
Speech of Pres. Roosevelt in Memphis, Oct.4, 1907

² cf Von Halle, p.37
Ely, "Monopolies and Trusts" p.256

¹. O.P. Adams, "Railroads, their Origin & Problems" p.36
systems result in the raising of rates to a maximum above which commodities would not move. In this way, and by discrimination, certain sections of country have been made practically uninhabitable. Wherever injustice becomes marked, the radical malcontent cries out for governmental ownership as a cure-all.

The railroad man, however, sees a different side of the question. The ruinous competitive rates were making it impossible for him to profit by his business, or even to maintain, to say nothing of improving, or extending, his property. Thus the whole country takes a mortgage on the future when it gloats over the temporary cheap transportation furnished during a rate-war. The railroad man seeks the agreement, combination, or pool in self-protection. He does not realize that when he eliminates competition he loses that gauge by which may be approximated the actual value of, or fair price for, the service he renders.

The efforts of one group to regulate and of the other to remain untrammelled have resulted in the enactment of anti-pooling laws and rate-regulations. Power to arbitrate rate-disputes and to fix maximum and minimum rates, when possessed by the government, is a practical guarantee against ruinous competitive rates on the one hand, and against rate-wars instituted by blackmailing parallel roads on the other.

As to pooling of lines which are in position to be competitive, it has not been long since the Northern Securi-
ties Company was declared illegal, and evidence has been secured upon which suit is being instituted to dissolve the connection between the Union Pacific and the Southern Pacific Railroads on the grounds that it constitutes a monopoly of western and southwestern transportation.

The Industrial Commission, however, is of the opinion that the railroad business should be recognized as a monopoly, and regulated as such, (vol.19, p.359), and Mr.H.S. Haines, among others, holds that such combinations ought to be regulated but not suppressed. ("Restrictive Railway Legislation" p.295) This seems the more reasonable view. As pointed out in the section on "Trusts," the idea of combination is here to stay for some time, constituting an economic forward step. The best control then will be that which guarantees by "supervision" and "publicity" laws a reasonable rate and efficient service, with penalties for non-observance of the law. The law could not be an arbitrary, inelastic affair, or more trouble than ever would result. The natural conclusion, therefore, is that the idea of the Interstate Commerce Commission is fundamentally correct, but that the law behind it should be so modified as to allow pooling and insure the enforcement of the findings of the Commission.

* cf B.H.Meyerz "History of the N.S.Case" Bul.142, U.of Wis. 120 Fed Rep 721: 193 U.S. 197: 197 U.S. 244

** Topeka Daily Capital, 2/16/08

1. as Ed.A.Mosely, address of 9/13/00, to Penn'a Millers, on "Trans'n as affected by the Cullom Bill," p.17
Power to fix maximum rates, prohibition of pooling and discrimination, these constitute one sort of central control which lately has grown over the railroads. The growing influence of the great waterways is another sort. But, being new, this control has not yet grown so as to meet and vanquish many of the knotty developments of seventy-five years of railroad growth. The people cry out against a three-cent fare; the thinkers cry out against laissez-faire.

More than any reduction of rates, we need safety and surety of service on our railroads, especially in passenger traffic. A paragraph from the pen of Theodore Marburg will amplify and intensify this statement.

"Regulation of the charges of public-service corporations is a well-established principle, but there again the question of expediency may at any time be raised. Are we not, for example, attacking the wrong end of the railway problem when we attempt to fix rates? Two great sources of railway accidents and casualties are the single track and grade crossing, and the single track is a source of freight congestion in times of business activity. Would it not be wiser to compel the railways by law to lay double tracks and abolish grade crossings, to give us frequent and speedy service, in other words, to benefit themselves while they benefit us, rather than for us to pursue a policy which will reduce railway earnings and thereby postpone the advent of needed improvements?" (p.9,"State Interference," reprint from Proceedings of the American Political Science Association for '06)

Another note is sounded on this phase of the subject by the editor of the Scientific American when he quotes a railway president as saying that most of the railway accidents are due to lack of discipline under the system and a disposition among the men and officers to play fast and loose

with the rules, and adds, "It cannot be denied that one of the most effective safety-appliances for the prevention of railroad fatalities and casualties can be found in the swift and impartial action of the law," where accident is the result of faulty company regulations or inexcusable carelessness of employees.

Another thing much desired by a large number of shippers is stability of rates. Probably no one would have them absolutely inflexible, yet that is practically what should be expected under governmental ownership of railroads as advocated by Mr. M. A. Knapp in his "Government Ownership of Railroads."

Mr. Knapp says that governmental ownership of railroads would be a guarantee of stable rates. So far, good. But the nature and history of governmental ownership of railroads seems to point to an exorbitancy and inflexibility of rates which is too extreme to be good for a country. A rational control, allowing of the necessary flexibility, is what is needed.

Perhaps less extreme than Mr. Knapp is Mr. B. H. Meyer, who advocates a system of advisory councils for railway control. These councils, based territorially on the three railway districts in the United States, would be composed of both elected and appointed members representing all interests;

* cf Annals A.A.P.S. Jan.'02, p. 61

** Speech of H.C. Lodge in Senate, 2/12/06
Panama R.R. Co. Tarif No.# 4, Nov. 25, 1907
Sterne's Rept. on European Rwy's. 49 Cong. 2 Sess. No. 2451
# Annals, Jan.'02, p. 74.
state councils, industries, railways and Interstate Commerce Commission.

To support his thesis Mr. Meyer brings forward the examples of several European states having such councils; three of them, Prussia, Japan and Switzerland having their councils established by law. He affirms that the system has been demonstrated by twenty years of experience to be most excellent in Prussia. He overlooks the fact that this very system has developed the worst sectionalism imaginable and has practically tied the hands of the owner of the roads, which in this case is the government.

The Prussian government in this twenty years has spent just about $15,000,000, or $50 per year per mile, in maintaining its railways, buying new rolling-stock, and building spurs. It is not extending the lines, lowering the rates, or furnishing adequate railway transportation facilities. Indeed, in throwing this comforting sop (the advisory council system) to the people, the Prussian government has lost its power to develop railroad facilities according to its powers and where the most traffic may be had; as private companies untrammeled by advisory councils of sectional interests are wont to do.

* cf Sterne's report, pp.32-33

** cf R. von Kaufmann, in Finanz Archiv, 1900, p.997
Switzerland, isolated as are its cantons, needs a national railway to bind the country into solidarity, and that is what exists. She lives and works with one object now — to please the tourist; and that is what she does. The whole country is scarcely large enough to entertain an idea of sectionalism of any economic significance. Switzerland, as an example, offers no proof.

Japan, says Mr. Meyer, (p. 85) can "pack the advisory council with persons in harmony with the government, which may destroy the council." That is enough, without looking for evidences of sectionalism in Nippon, to destroy the effectiveness of this third thread of Mr. Meyer's attempted proof.

One good idea in his article is that much-desired publicity would be obtained by the council system. This, however, can be obtained in other more simple ways. The central government has not gone to any of these visionary lengths in its efforts to control, and we do not wish it to do so. When it does, the question of an undue increase of control will become more serious.

Swinging away from the extreme of Knapp and Meyer, we find H.T. Newcomb opposing legislative control. He calls legislative control an "opposition" and a "shackle." His vindictive terms convey no intimation that he may realize.

* "Concentration of Rwy Control" Annals, Jan.'02, p. 89
that legislative control could exist or be necessary for any reason than to prevent consolidation. His motto is "Consolidation means increased efficiency," and he says (p. 106 of ref) that "when the general public depends confidently upon laws of an arbitrary character, it is not sufficiently watchful to permit that general publicity which must be the basis of effective public sentiment." This is a fair criticism of a condition which is even now being remedied.

To those who insist that the growth of Federal control in this field is entirely improper, we would merely say, "Study English Railway History." In England the popular demand for workingmen's passenger rates has been met; there the finest road-beds, the safest trains, the speediest schedules, and the most satisfactory rates are maintained. And how? Simply by reason of the fact that the central government has from the first insisted on the public nature of the transportation business, and has held the railroads to the business of conducting transportation on the most solid and

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1. It is interesting to note this sentence in the last paragraph but one of Mr. Newcomb's article: "The newspaper fantasy of a line from the Atlantic to the Pacific under unified management is not likely soon to materialize." As this is being written, Mr. Harriman has gained control of the Erie in the east, giving him, with his Union Pacific and other properties, a line from ocean to ocean "under unified management."

public-spirited system determinable. And if this is not enough, we would call attention to the fact that control of the railroads by the central government in England, although mild, is so complete that a division of the field has been allowed among the railroads, each almost monopolizing a district, but at rates limited by governmental provisions.

Further, the French government, by insisting on control from the first, has been able to dictate the routes of the railroads of France, and thus to escape the difficulty encountered by our United States government in the newly opened southwest, i.e., having the railroads spitefully ignore a carefully planned series of towns, county-seats, and cities; or blackmail cities already established, by threats of leaving them without transportation. France has also kept the waterways open to whatever traffic would move upon them. Such a course in the United States would facilitate the movement of bulky freight and relieve the railroads of some expensive wear and tear, but it is doubtful if the expense of such a moderate course would be justified.

Until we of the United States are enabled to receive from our transportation system the same advantages accorded the people of other countries so far as possible in addition to those already peculiarly our own; until we can travel safely and ship all commodities reasonably, we shall not say

* Sterne's Report p. 21
** Same, p. 27
that control by the central government in this field has even duly increased.

Without the agricultural population on the one hand and the industrial and trading centres on the other, the transportation systems could never have grown or even survived. But they have survived, and are with us in a peculiar way. In spite of the fact that transportation is their special function, some of them are possessed of surplus wealth so invested that it is really unnecessary for them longer to engage in transportation in order to pay all fixed charges and interest. The Pennsylvania\(^1\) and the Union Pacific\(^2\) are striking instances of this type of prosperity.

A composite mixture of competition and monopoly almost in the same sections of the country, the railroads present one of the problems of the day. If we force them to become entirely competitive, the competition will force rates down lower than the point at which both operating expenses and interest on capital can be paid, thus bringing on an era of poor service and conservative capital. If we force them to an uncontrolled monopolistic division of territory it will be difficult to escape oppressive rates and discrimination.

As matters stand, the mass of arbitrary, conflicting, and grossly discriminating rates and schedules has made many

1. Topeka Daily Capital, edit. 3/7/08
   Topeka Daily Capital 12/28/07
a man poor who has earned more than his compatriot a few miles away who has been made rich. The railroads themselves have been made the tools of commercial sharers who by this leverage have derived from the people an extraordinary and unnecessary profit on the necessities of life.

All this has retarded the increase of the real wage, the efficiency of the money wage, of the people; and all this can be guarded against by the central government when it undertakes to impose such regulations upon the transportation systems of the country as will equalize and justify rates and practices according to (1) cost of carriage and (2) value of service. Until various schemes have been tried it may be uncertain which is the best scheme of control with this end in view. But because a few months' trial, without cooperation in spirit by the railroads themselves, which is necessary to the success of any such scheme, does not result in immediate success, shall we condemn the whole idea and cease the effort to bring about an all-around consistency in rates of transportation?

When the farmer finds that an unjust discrimination of only a cent a bushel in shipping wheat makes his neighbor's land, of the same productivity, worth $6 more per acre than his own; and when the manufacturer and the merchant find themselves relatively in the same predicament; and when the

public fully realizes the enormity of the unnecessary death and casualty list created annually by the railroads; is it possible that many will insist that the central government has already gone too far in the exercise of control over the transportation systems?

Another great subject of popular agitation is the question of the American Trust. In the popular mind a trust is any corporation, or any combination of corporations or individuals, which tends to control the production or distribution of any convenience or commodity. J.W. Jenks ("The Trust Problem" p. 8) defines a trust in general as "a manufacturing corporation with so great a capital and power that it is at least thought by the public to have become a menace to their welfare, and to have, temporarily at least, considerable monopolistic power." Mr. Jenks apparently does not consider a distributive concern like the Standard Oil Co. a trust, but it certainly is. Although technically there is a clear distinction between the trust and the merger, or greater monopolistic corporation so often formed from the trust, both kinds of organization present the same problems of control.

Some students tell us that trusts are old affairs, having been the rule in England centuries ago, and at that time under governmental control. (Frederickson). Others insist that they are strictly modern, presenting a new problem to the government. (Beach). Of whichever opinion the reader

may be, he will agree that the trust problem is not yet settled. If history will help solve the problem, no one will object to its use.

Evils and economic abuses have been detected in the practices of great trusts and corporations. Many of these have not been remedied. Remedies are necessary, but changes cost money -- and the individualism of the "captains of industry" naturally prevents any speedy or sincere reform without external co-ercion. External co-ercion is necessary.

"The new trusts, world-wide in their power and extent, into which modern manufacturing and mercantile business seems to be gradually consolidating, have sprung up so rapidly that they seem to have outstripped the laws of their own time."

The experience of the past twenty years and more has shown that legislation has not destroyed the trust-practices, though it has in many cases caused the mere trust or combination of smaller corporations to merge into one gigantic monopolistic corporation. It has shown that competition and not combination has been the important factor in the formation of trusts, and that corporation leaders are wiser than anti-trust laws.

** cf V.S. Yarros, Am.Jour.Soc. 8:61 "Trust Problem Re-studied."
# cf J.D. Forrest, Am.Jour.Soc. 5:228
## cf Von Halle, "Trusts" p.62-note
Ray Morris, "Railroads" Atl.Mo. Aug,'07
J.D. Forrest, A.J.S.5:235
Mr. C. S. Hanks calls attention to the rapidity with which the property of the country is coming under corporate control. It is recognized that the economies accomplished by the unification of an industry constitute a great incentive to the formation of trusts and monopolistic corporations. "Because corporations have come to stay, something must be done to prevent corporate influence absorbing the property. This can only be accomplished when we keep the earnings of this country out of the financial streams which converge in our great money centres for the benefit of the few, and our corporations become institutions of the people and for the people. If our corporations are properly managed, the prejudices against them which have been growing up will disappear."

These men are not alone in pointing out particular evils and in suggesting remedies. Mr. E. J. Nolan ("Combinations, Trusts, and Monopolies"), although he considers Federal control difficult, says that publicity and popular education are both necessary. And Mr. J. B. Dill, in an address before the Economics Seminar in Harvard University, suggested a form for a National Act for Trusts. Among the eight elements of this proposed act were the protection of corporations from state discrimination, fair and full taxation, and a good system of supervision and publicity. He also stated that trusts are a national force, having outgrown mere state legislation, and

* of Government, May '07, p. 37, "The Railroad Problem"-Hanks
** of Yale Law Jour. Apr.'02, "Nat'l Incorporation for Trusts"
that they, as well as the accompanying economic disturbances, involve the public welfare and hence become a necessary subject of Federal jurisdiction.

The external coercion of the past, as we have seen, has been almost entirely exerted by the state organizations. Because this has failed to curb the evils practiced by trusts, because the strong social force of public opinion and national publicity has not yet been fully utilized, because our tax system is inefficient, and because the economic education of the people is severely limited, we conclude that control by the central government has not unduly increased in the field of trusts and monopolistic corporations.

The opposition to central control is as strong in this field as anywhere, if not stronger. Even Secretary Taft (Speech, T.D.C. 3/24/08) sounds a note of warning that the central government may encroach upon state jurisdiction in these matters. Such caution would be wiser if it were true that state control is able to clear the confusion of "foreign corporation" laws (Horack) or could cope with any national phase of modern industry.

* cf Moody "Truth about Trusts" p.497
  Montague "Trusts of Today" pp.128-200
  Horack "Control of Corporations" p.168 ff

1. Mr. J.D. Forrest writes that the exploitation of the public by monopolies can be prevented by the repeal of anti-trust laws and by a system of public control safeguarding legitimate capital investment, involving a rigid system of inspection and publicity of accounts.

** cf E.P. Prentice "Federal Control over Carriers & Corp'ns"
Because of these disabilities and for the additional reasons, previously mentioned, that final sovereignty does not rest in the state organization, and that state organizations are irresponsible and can be controlled easily by private interests, governmental control, if exercised at all over the trust, should come from the central body. **External co-ercion is necessary in the form of control by the central government.**

True, some laws have been passed by the central government, but not many. These have been in the nature of experiments and, while their failure has been rendered rather more severe because of the lack of a powerful enforcing agency, have shown that they are based on the wrong assumption that monopolistic combinations are **per se** an economic evil.

1. Judge Peter S. Grosscup, in an address before the National Association of Manufacturers, Pittsburg, Pa., 5/19/04, said: "In my judgement the urgent thing to do with the corporate industries of our country is not to hawk at or destroy them, nor to unduly hamper them; but, in the interest of fair trade among themselves and fair dealing with the public, to put them under reasonable regulation; and, in the still higher interest of republican government, to peopleize them."
"I would require that corporations intending to do a national business should be organized under a national law."
"The nation possesses the power to incorporate. x x x The nation has the means at hand to make that power effective."
"First, let every corporation be organized on lines of perfect simplicity." "The second principle is honest capitalization."

* 49 Cong. 2 Sess. Cap. 104 p. 379 United States
50 " 2 " " 362 " 855 Statutes at Large
51 " 1 " " 647 " 209
59 " 1 " " 3591 " 584 of Pt., One.
57 " vol. 32 St. at Large, Pt. 1, p. 846
Experience shows that dishonest capitalization, mismanagement, over-pricing and cupidity are the sources of the economic evils in this field. The farmer knows he buys his oil and sugar, etc., at a lower rate than years ago, and realizes that huge corporations have insured a rather steady market demand for his products, but he also feels that these combinations are reserving unto themselves at every opportunity a larger margin of profit in proportion to labor, machinery, and management involved, than the farmer ever can get or deems it fair for another to get. He feels that by their trust agreements the industrial captains who buy his raw products are browbeating him at every turn. And in many instances the farmer is about right.

It is the purpose of the trust on the one hand to lower the price of raw material and the cost of manufacture by concentration and economy, and on the other hand to raise the price of the finished product to the highest safe limit by controlling the supply. This safe limit, however, is always tending to become lower, because trusts fear new competition and also because they wish to induce larger sales.

* cf Jenks, p.155
  H.L.Wilgus, "U.S.Steel Corporation" pp.33,110
  Von Halle, pp.42,54,73

# Address of Chas.F.Beach,Jr. to Union League Club, Chicago, on "The Trust, an Economic Evolution" 1894. p.15
Mr. C. F. Beach writes, "We shall see greater things along these lines in the future than we have seen in the past. We shall have greater trusts than the Standard Oil, and greater systems of railway than those of Mr. Gould, or Mr. Huntington, or Mr. Vanderbilt.

"The true attitude of the State, and therefore of the public, toward those combinations should be one, not of hostility, not of an attempt to do what we have discovered cannot be done, not to destroy trusts, but rather to regulate and control them, as we have done corporations, in the public interest. They should be subjected to all reasonable laws and regulations which are applied to corporations, and which are applicable to them. Their property should pay its share of the tax necessary to carry on the government, and they should in all respects comply with all the laws of the realm. They cannot be destroyed, but the can be subjected to a proper governmental visitation and control." "Our legislatures and courts have made a false start in being led off in the direction of conspiracy, combination, and "anti-trust" laws, when the true remedy is to fix maximum rates and to regulate and control profits and business methods."

Therefore, we would advocate not the abolition of the trusts, for they are a part of the age, but the simplification and standardization of their business methods, the prevention of great surplus over and above that necessary to give stability to their business and to give fair profits, the rigid supervision and inspection of their administrative machinery, and the frequent public exposure of their dealings, right or wrong. This would justify them or condemn them before the world at less trouble and expense than is now used by them in paying for the beautiful literary efforts which take so much space in the magazines of our land, to the end that popular prejudice against trusts may be removed.

This is the only logical way at present open for preventing the economic welfare of the people from being con-
trolled entirely by private interests through corporations, instead of by public interest through the government set up by the people to represent them and guard their welfare. The days of laissez-faire as a proper principle had passed when the first modern combination of capital was formed, and the people are doing themselves a social and economic injustice every year that they allow their welfare to depend finally upon the word of a few captains of industry and not upon the word of an educated government representing an educated people.

And this brings us again to the root of the whole matter. We have touched it before. Individual economic education is lacking. The units of the social mass do not yet appreciate the principles and history of social economics. Much less does society know the true economic evolution and trend of the age. Without education in these matters the people at large are not able to take proper steps to conserve their best interests. The individuals chosen from out the mass to constitute the government learn in time some of the steps necessary to this end; but the men who know most of all this are those who are working to lay up treasure for themselves upon earth, namely, the captains of industry. And these latter by reason of their knowledge are enabled to ignore with impunity the best interests of the whole people.

Education, then, we must have. We care little how it is attained, so that it be broad, not one-sided, and not
slow in coming. Experience is a great teacher, but after a man is divested of his economic status of what use is his knowledge gained. For him it was belated, but for his fellow, who is willing to study conditions and take heed according to his discoveries, it may be the basis of a timely and useful education. Along this line students in educational centres are investigating and writing, the government is investigating and publishing many reports. But these important papers and books are not reaching and influencing the public at large. The magazine, the newspaper, and the novel of the day, are the agents which reach the people, and of these only a very few of the periodicals can be said to contain valuable or reliable socio-economic discussions. The remainder are colored to suit the eye, and flavored to the taste of the populace, and are of worse than no educational benefit, so far as these vital questions are concerned.

Some way, private, state, or national, should be devised for the systematic education of every individual in Sociology and Economics, as well as in Geography and Civics. This would have a vital influence on the final solution of all the problems of the age — and it would allow the people to participate sanely in the movement for their own salvation. The central government has no general department of education for this purpose, and may not need one, but until this advocated general economic education is attained, the possibility of adopting the proper attitude toward the trust problem, and toward all the other economic issues, will be remote.
The agitation against the liquor traffic now presents to the student a different aspect from that which it bore a decade or two ago. Sentiment and emotionalism were then its very foundation; now economic considerations are the strength of the movement.

It is the economic side of the question which has aroused the people of the land so fully in the last two years. When railroads and business firms put the ban on users of liquor, when leaders and prominent men in every walk of life abstain from liquor, and when young men refrain from the "joyous bowl;" and all because they realize the waste of money, energy and time, both individually and socially, consequent upon the use of liquor, we realize the force of these economic considerations. The social line drawn between the drinker and the abstainer also has powerful influence.

These considerations are the cause of the recent widespread success of the anti-liquor movement. The best interests of the people are seen to demand the curtailment and abolition of the liquor traffic. Economic pressure becoming so stringent, the people rise up in localities and states and enact forceful legislation, which is enforced according to three factors:—the efficiency of the officers, the strength of public opinion, and the uniformity of state and central laws. The first two factors are local matters.
The last factor introduces us to the old confliction of asserted jurisdictions, but with an important modification. While the first three fields discussed, i.e., Labor, Transportation and Trusts, involved the problem of protecting society and the individual from abuses at the hands of economic organizations, the fight on liquor involves the problem of protecting society and the individual not only from great economic organizations, but also from themselves. In other words, the latter field involves the personal habits and appetites of a large number of individuals, as well as their pocket-books, and it involves not only large and well-defined organizations but also multitudes of small and all but unrecognized centres of influence.

The laws instituted to curb this cause of physical, moral and economic degeneration among the people neither cover the whole territory of the United States, nor are uniform in the sections they do cover. The United States revenue laws are the only ones affecting this field from the central body. These aid the states and communities in enforcing their own laws only when, by the national registration of excise-payers, state officers are enabled to find the names of liquor dealers not holding state licenses as required by state laws.

Because it is out of the question for the central government to watch effectually what every man's neighbor may be doing, it has not become a function of the central govern-
ment wholly to control the liquor traffic. But the best interests of the people demand that it be controlled. So there are two phases of control which become functions of the central government. First, regulation of interstate commerce in liquor so that no community having laws against the use of liquor shall be harassed by the action of, or shipment from, any other community; and second, penalizing heavily any interstate employer who retains on the pay-roll any user of liquor, on the ground that the retention of such an employe endangers the health and safety of the public and of other employes.

As the Wilson Act now stands (26 St. at L. 313), any state may make police regulations concerning liquor shipped in from another state (Pabst Brg. Co. vs Cranshaw, 198 U.S. 17), but a man may receive for his own use liquor from another state (In re Rorva 140 U.S. 145), and liquor in the original package may be shipped into a state and sold or delivered there (Licy vs Hardin, 135 U.S. 100).

Wherever a section of the country has taken a step in advance, the central government may properly aid it in holding the ground it has gained. In order to aid in preventing circumvention of state prohibition laws, Senator Tillman last December offered an amendment, drawn by Senator Knox, which would change the Wilson Act so that "all intoxicating liquors transported into any state or territory, or remaining therein, shall, upon arrival within the state, and before or after delivery to the consignee, be subjected to the laws of such state, in the same manner as though such liquors had
been produced in such state or territory, and shall not be exempt therefrom by reason of being introduced in original package or otherwise." (T.D.C. 12/19/07)

The bill was referred to the committee on judiciary.

Although it is doubtful if these Senators thought of it at the time, they really have behind the proposed amendment to the Wilson Act a good precedent in an interstate commerce regulation promulgated in 1803. By this act (2 St.at L.205) is prohibited the carrying of slaves into a state the laws of which prohibit their admission.

With somewhat the same object in view as had Senator Tillman, Representative DeArmond (Mo.) recently introduced a bill making it unlawful for the government to issue a Federal license to sell intoxicating liquor in "prohibition states." Thus we see the gradual growth of activity toward assuming the first phase of control asserted to be a function of the central government in regard to the liquor traffic.

But the second such phase -- the penalization of the interstate employer of liquor-users, -- although fully as important, still remains to be acted upon.

This liquor question is only a part of the larger field of Public Health and Safety, the problems of which are most vital, though not as a whole uppermost in the popular mind.

The recent agitation centering around the national Employers' Liability Law, as a result of the decision of the Topeka Daily Capital, May 4, 1908.
Supreme Court pronouncing it unconstitutional, and the consequent re-enactment of it in such a manner as to remove that prejudice, has called the attention of the public to another particular phase of this large field. The safety of the laboring man at his daily task is being recognized as one of the responsibilities of the employer. Excessive control is not manifest to date on the part of the central government in its efforts to secure to the laborer a guarantee that proper precautions shall be taken to protect him where he cannot be expected to be able always to protect himself, and that he or his family will be indemnified if failure in these precautions results in his injury or death.

The safety of the traveling public is being promoted to some extent by Safety Appliance Acts — but there is yet much to be accomplished in this direction. In all parts of this field of Public Health and Safety the need for prompt and efficient action of preventive and remedial nature has been discovered through the investigations of the Bureaus of Labor and the Census, and pointed out in their reports. But the public is not a persistent reader of these reports, and the lawmakers are busy with other things, so matters have gone on from year to year with comparatively little governmental action toward controlling conditions detrimental to Public Health and Safety.

For instance, pollution of inland waters is forbidden by

* 1893. 52 Cong. 2 Sess. Cap.196, p.531 U.S.St.at Large.
* statute in practically every state in the Union, and is very
heavily penalized in some. But as yet only the common law
reaches the matter when it comes to the jurisdiction of the
central government. A notable case is that of Missouri vs
Illinois et al: concerning the dumping of Chicago sewage
into the Mississippi river. (180 U.S. 208).

Now, it is readily seen that mere state legislation does
not absolutely control the pollution of interstate waters.
A national provision, with proper administrative agencies,
would possess the value not only of uniformity but also of
definiteness and efficiency. Similar to this is the question
of milk supply shipped to our large cities from rural dis-
tricts in other states. New York City draws its milk from
three or more states, Philadelphia the same, Chicago from four,
St.Louis and Kansas City from two each, and so on down the list.
Mortality statistics show the need for pure milk and plenty
of it in our cities, but the shipper across state lines are
not concerned with mortality statistics, nor are the door to
door dispensers of milk in the cities. Local inspection
laws accomplish much, state pure food laws help, but the
whole milk business can be reduced to a uniform wholesomeness
much more easily and quickly when well-enforced national pure
food laws form for it a standard basis.

* National pure food laws already cover many of the abuses
which in the past have been introduced into the production

* 58 Cong.2 Sess. H.R.Doc.741 -- U.S.G.S.Water-supply Paper 103
and distribution of food-stuffs, and laws concerning the shipment and care of such things as live-stock protect public interest in this direction also.

But on the side of the physical health of our people there is not yet so much accomplished. For instance, we are without adequate protection against bubonic plague. (T.D.C. 8/30/07 "Plague threatens San Francisco.") "Only by extending the power of national quarantine can other states be protected against the laxity in the enforcement of health regulations by a single recalcitrant state."¹ We have no national bureau of health to furnish us with free and reliable health information, "and the thousand questions which anxious fathers and mothers ask themselves go unanswered simply because there is no office at Washington equipped for the purpose. If strawberries wilt in New Jersey, or lambs fall sick in Arizona, the Department of Agriculture gives elaborate instructions as to what should be done. But two millions of human beings die each year -- a large fraction, and literally because they cannot find out how to live."¹ During the last two years such a Board of Health has been provided for, however, and it will not be long until its operations will be in full swing.

Says President Roosevelt, "Our national health is physically our greatest national asset. To prevent any possible deterioration of the American stock should be a national ambition." (Letter to Committee of One Hundred). "I also

¹ 1906 U.S.St.at L. 59 Cong.1 Sess. Cap.3994, p.607
¹ Com.of 100, aptd by Am.Ass’n for Advance’t of Sci., on Federal Regulation of Public Health.
hope that there will be legislation increasing the power of
the national government to deal with matters concerning the
health of our people everywhere; the Federal authorities, for
instance, should join with all the state authorities in
warring against the dreadful scourge of tuberculosis. I hope
to see the national government stand abreast of the foremost
state governments." (Provincetown speech).

Ten per cent of us are dying from tuberculosis of the
lungs, and an added fraction from tuberculosis of other tis­sues. Proper national regulations can in time stamp this o
scourge out as surely as virulent small-pox has been eradi­cated. "Uniform enforcement of national health regulations
is imperative, because infected persons travel from state
to state spreading the disease." (Com. of 100)

This brings up another subject for national control —
the sanitary conditions on railways. Dr. Henry Thierry, in
his paper before the Fourteenth International Congress for
24), pointed out that a system for cleaning passenger cars
every day must be introduced. The vacuum system for sucking
up, removing and destroying the dust and suspected germs
constantly deposited, says he, constitutes a practical method
which ought to be developed by the railway companies; and the
operation should be completed by wiping the floor with a wet
cloth. Dr. Thierry also points out the necessity for an
organized service for cleaning cars on the road, for "prophy­
lactic measures in regard to the dejecta of passengers," for
proper care of water to be placed at passengers' disposal, and for all measures tending to circumscribe and prevent epidemics by way of the railroads. We would add what Dr. Thierry does not say -- that in the United States the only adequate enforcement of such vitally necessary provisions can come through national control alone; for the railroads will never universally and of their own accord go to the expense of perfecting any such system.

In this immediate connection should be pointed out the opportunity for Federal control to protect public safety on the railroads in a slightly different way than any mentioned in previous pages. Those nervous diseases which limit or paralyze the power of action may be considered as being dangerous to railroad traffic. The railroads have not yet become so strict in their examinations and tests as to exclude all men having any of the five classes of mental disturbances mentioned by Placzek, the Berlin neurologist, in his discussion of this question. (Engin. News, Oct. 24, 1907) Perhaps a little prodding by the central government right along this line would save more lives than we now realize.

* Much danger lies in mental disturbances in the broadest sense, which involve laxity of connection in associative thought, through (a) premature disturbance of memory (b) intellectual weakness (c) lack of power of opinion (d) non-receptivity of external impressions and (e) general ethical weakness. Placzek says this danger may be avoided by critical utilization of premonitory symptoms by professional men; by eliminating all epileptics, epileptoids, and hysterical subjects; by
President Roosevelt declares, as do all true men, for the inculcation of proper family ideals as a step toward race perfection. Divorce, though a crude remedy for marital evils, is itself an evil, begetting carelessness in vital matters. The causes of the chaotic condition of this phase of the social life of America lie in the looseness of divorce laws and administration, the diversity of the same, equal looseness in the laws of marriage, the manner in which our population is concentrated in cities and isolated in rural communities, and the bad of the restless American spirit on home life.

What is needed can be provided best through control by the central government, for it involves interstate and national interests as well as those of the individual. We need to eliminate migratory divorce, decrees against absentees who are ignorant of proceedings, and the confusion resulting on account of some states forbidding re-marriage of divorcees. We need education and an understanding of the meaning, purpose and responsibilities of marriage; in short, social science with its rapid growth is not coming any too soon.

* cf Report 1897, p.9; National League for the Protection of the Family.

eliminating all who have tendencies toward apoplexy, manifested by arterio-sclerosis or heart diseases -- which might well be ranked along with brain-diseases; and by disqualifying for railroad service all highly neurasthenic persons -- those who are restless, unsettled, nervous, excitable, predisposed to fatigue, those having inability of decision and feelings of fear, and those subject to despondency and to compulsive thought, sensibility and action.
It is the characterizing science of the age, and must be utilized.

Not only should the immigrant be required to produce papers showing his matrimonial state when he left his home country, but in our land there should be such devices required as a public notice some time prior to marriage, with a specified time to elapse between the granting of the license and the performance of the ceremony, during which time objections might be entered of which a trial should be made, simply and without undue cost and cumbersomeness. Requirements such as health certificates, the keeping of strict records, and the rigid prevention of the propagation of the unfit, are other necessary measures in this direction. If we are to have an efficient preventive or remedy for any popular affliction, such preventive or remedy must operate uniformly over the whole populace affected. Thus it becomes the province of the central government to exert some unifying and correlating control in this field. As yet this control has not unduly increased.

In the control of Insurance companies and their operations, touching as they do the lives and activities of a great proportion of our people; in the control of the operations of marginal speculators and stock-gamblers of all sorts;

* Reports of N.L.P.F. '98, p.13; '99, p.3; '00, p.7; & '01-5.

** Topeka Daily Capital, 11/13/07, 12/1/07, 12/3/07, etc.
and in the standardization and advancement of the penal and charitable systems of the country, are suggested great fields for proper exertion of central authority, as well as great problems which, it is seen even now, will have to be settled eventually by the intervention of the sovereign.

The pension lists, rapidly depleted in the "nineties," were swelled again after the Spanish war. The pension system is well established and standardized. Probably the central government has gone far enough in legislation and nearly so in administration in this direction. Altogether it presents an interesting bit of war-derived socialization, if not an example of dignified socialism.

In the promotion of agriculture and forestry, with the development of the irrigation and reclamation policy, and all the activities appurtenant thereto, the central government has shown its capacity for control when it becomes much interested and when affairs are placed upon a military or semi-military basis. Discipline and esprit-de-corps are vital elements in the success of any great project. The great drawbacks here are that the government has been many decades late in starting the work and has even now undertaken it in somewhat leisurely fashion.

In these fields the work of the government has not ceased, and it is recognized that the need for it continues to grow along with the increased importance and population of the United States. What but the central government shall
make available for settlement areas, stretching over portions of a dozen states and territories, which eventually will feed and clothe, and maybe wholly support, a hundred millions of people?

In this decade, more than ever before, concerted volition as a social phenomenon can be observed among citizens of the United States. The daily service of the Associated Press, the influence of the rural free delivery, and of the telephone, the increasing diffusion of scientific education in the general sense, and the modern spirit of comprehensive organization are not merely prime factors in producing nationwide concerted volition, but they have a greater significance. They bear the characteristic earmarks of constructive social forces of sufficient strength to bring about the real education of the people and finally the nationalization of all national interests. They will never rest while yet the process which they have started is incomplete.

We are a population of heterogenous origin and cosmopolitan extraction, but we are a homogenous population. Shall we then deliberately allow ourselves to be deprived of the advantages of homogeneity by the artificial growth or retention of sectionalism, and by sectional interference in national issues? Not only is it true that we shall not, but owing to the operation of the social forces just noted, together with many others, we can not long retain this impediment. Wherever there is a social need there will in
time come a fulfillment, a growth and re-adjustment of the social structure so as to preserve its equilibrium.

A revolution is only the rapid change of the centre of gravity in society which takes place when pent-up social pressure, ordinarily expended in normal social progress, suddenly overcomes some persistent impediment to that normal progress. A violent revolution, however, is like a flood in an ordinarily peaceful valley; it is usually more or less of a catastrophe. Social evolution can not be stopped; if checked, the process in time becomes revolution, and, if strongly impeded, the obstacle is finally swept away by violent revolution.

If, as this paper has endeavored to show, a proper degree of control by the central government is one of the necessary steps forward in our social and economic progress, then those men and those factions which, often from purely selfish motives, are interposing obstacles in the way of a proper exercise of this control are merely damming up social energy which in the future will overflow and sweep away their obstacles and perhaps themselves. Minor events of this nature have already occurred in recent United States history, and another one of some note is to be expected when the central government develops the waterways and other resources of the country, as now planned (cf Proceedings of National Conference on the Conservation of Natural Resources, Washington, D.C., May 13-15, 1908. T.D.C.5/14-15, '08), in spite of
the objections and obstacles interposed by sectional fanatics and money-hungry politicians.

If the latest movements by the national government in the fields we have been treating have been an undue increase of central control, it will be demonstrated by disturbances in some quarters and stagnation in others, continuing much longer than the crises of our periodic panics, amounting to disintegration of the socio-commercial structure, and of course resulting in a radical change of national policy. But we look for no such developments from such a moderate growth of centralization as herein advocated.

Taking into consideration the facts which have been shown: (1) the existence of many important national issues as distinct from local issues, (2) the nature of a governmental function and its dependence upon the nature of any activity to be considered in connection with it, (3) the inefficiency and incomprehensiveness of the jurisdictions of the states, (4) the sovereignty of the organization of which the national government is the representative, and (5) the need for still further progress along lines to be pursued efficiently only by the final sovereign, we arrive fairly at the conclusion that as yet control by the central government has not unduly increased.
Has Control by the Central Government unduly Increased?

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