

## CHAPTER XVIII

### GOVERNMENT AND BUSINESS

#### TARIFF WALLS

The law of the jungle, which I consider to be "Take where you can," is now the law of society in America. It runs through all social classes. Industry, however, is singularly free of it, for nearly all business men conduct their affairs now as if they were free traders, and respected the tenets of a system of free exchange of goods. Even this anti-business administration has to admit that only a few in its unqualified estimation resort to questionable practices. It is one of the most curious changes that have taken place—this of business people who have had the experience of more than a generation of high protective tariffs, succeeding in eradicating most of their baleful effects. High protection is still practiced, and the American business men have the enormous areas of the States securely bound by tariff walls. Within these walls, however, because of the vast natural resources of the country, from which are produced nearly all requirements, there is a kind of free trade system, though it is somewhat handicapped and restricted by certain Federal rules and regulations. Anyway, it may be said that business generally is conducted in a seemly manner.

Yet, business men have never thought it worth while to ask the suffrages of the people. They have held steadily aloof from Congressional honor. Commercial

and financial interests are not represented at all now, nor can it be said that the best interests of the Bar are regarded by the Congress of lawyers. The reason is that government in America is the biggest business of all, and it is organized on the strictest trade union lines.

#### THE ATTACK ON INDUSTRY

How industrial concerns in general succeeded in merely existing through the former great depression was something of a mystery. The achievement of weathering the storm was a remarkable one; but no sooner the ships of commerce, battered and buffeted, approached the breakwater where calmer waters prevailed, than the Executive with his new administration began a direct attack upon them. Perhaps nothing done by this administration shows so clearly the Executive's recklessness, and his appalling ignorance of what industry had suffered during the depression, as this attack on industry in 1933. As someone said, "Only a man who was devoid of commercial experience could have been guilty of such a blunder." From the Executive himself down to the veriest tyro with a new job in Washington, business was libelled and reviled. Speeches were delivered which contained the absurdest exaggerations of the conditions in industry and finance, and for two or three years these allegations went unchallenged. An avalanche of books written by supporters of the government descended upon the people of the country, and the authors of these books almost exceeded, in wild statement, the speeches of the politicians. Never was there a period when so many reckless talkers and writers afflicted a suffering but far too tolerant public. This attack bore all the characteristics of the attack of the underworld on affluent people. The

inscription on the banner of the aggressive force might have been taken from the manual of the criminal's code. "Soak the rich," was bawled by politicians all over the land, and none of them stopped to consider that industry, just emerging from a severe depression, would require, in order to get on its feet again, all the riches it could find.

Another cry which, of course, was far more popular than that of "Soak the rich," was "Share the wealth." The Executive took pride in all this, and was glad that he had trodden upon certain people's toes, and said that he would keep on treading. Naturally the underworld strove to outdo the administration in the business of soaking the rich and sharing the wealth, and never in the history of this lawless country was there such an outbreak of ruthless crime as that which followed on the heels of the administration's attack on industry. But, as some one pointed out at the time, if it were a question of allotting respect to one gang or the other, the criminal would be a gainer, because he usually took his life in his hands when he started campaigning against the rich and sharing their wealth. So the law of the jungle spread through all classes of society: "Take where you can," and "Get while the getting is good."

#### PARTY LOYALTY

There were men, however, associated with the Executive in this business who did not like it, and sometimes they went so far as to say they thought the policy was fraught with danger. But they voted with him. There were men in the administration, and in Congress, too, who not only believed in the old tenets of the Democratic Party, but who also revered its history. One would have thought there would have been resig-

nations and desertions, but few of any consequence resigned in protest. Party loyalty, which means only continuity of patronage, was sufficient to make them eat their words and swallow the insults to their intelligence. Many men who were not in agreement with the Executive, but who stuck to his side, laid the flattering unction to their souls that once his measures were legalized by Congress and put upon the Statute Book, they, by some peculiar process, had been washed of all stain, and had become sacred. The men in Congress were not lawyers for nothing. Yet, legalized crime is still crime. Taking what does not belong to one is crime, no matter whether there is a tax law to protect the collector or not. And it signifies nothing, that charges of a like nature may be brought against captains of industry and finance. Crime is crime and nothing can change the nature of it, once committed. Neither the reason for, nor the purpose of, the acts of soaking the rich and sharing the wealth will make such acts seemly and honest. The alleged reason was because industry and finance, in some cases, had taken too much from the consumers; had kept wage low and hours long, and therefore punishment was in order. The purpose was to give what was taken from the rich to the poor and needy who had been defrauded. Suppose all the allegations brought against industry and finance were true, it by no means follows that government was less guilty of malfeasance because its action was legalized by itself. Indeed, it rather aggravated the commission, because, in this case, the robber was the lawmaker who legalized the crime.

It can, of course, be shown that the intention was not a charitable one, but purely a political one, and that its purpose was to consolidate the mass of ignorant

voters, so that a second term might be assured. If the purpose had been to help the needy, the first thing a sensible administration would have done would have been to pass a measure calling upon all needy persons to be registered, and then to have made separate categories for the deserving poor, the undeserving poor, criminals of all descriptions, inconstant workers, and the physically and mentally deficient. Such a measure was suggested many times, but not one politician could be found to give his practical support to such a notion. So the great attack began and, although there was a period for a breathing spell, which naturally came when the administration was nearing the end of its term, the attack was renewed with greater force as soon as the government was elected a second time.

#### STRIKES WITH VIOLENCE

The example set by the administration's attack on business was speedily followed by numbers of laymen with nothing in particular to do in the way of earning a living, and many of these started on a crusade of fomenting strikes with violence. At one time, shortly after the administration got to work, there were something like fifty large strikes raging in various parts of the country. Some of them were ludicrously pathetic, inasmuch as, after great damage was done and many people were hurt, the workers returned to their jobs without having gained the slightest advantage.

There were, however, other very different people who entered the field and made a business of the job. It has been computed that most of the big strikes, where grave damage was done to factories and workers, were begun by men who were not employees, and were not known in the neighborhood. Presumably these

young persons thought that, if the Executive could lend himself to campaigns of soaking the rich, sharing the wealth, and was boastful of having trodden upon people's toes, his example was worth following.

The opportunist in politics never looks ahead. The immediate need is the matter that concerns him. He is, of all persons, a practical man; so he tells us when we go to him to discuss the matter of correcting an abuse. His notion of being practical goes no further than a merely temporary adjustment of a grievance. That far the practical politician will go, as a rule, but no further. Tell him that his temporary adjustment will only make matters worse in the end, for he has not touched the root of the difficulty, and he will probably reply that you had better get an idealist to tackle the problem.

But many are the single-minded men in politics who are so emotional that they give themselves to schemes for the alleviation of the immediate need, and lose the opportunity in so doing of going to the root of the trouble. Hence, strikes and more strikes, loss of wage, more debt, the employment of new machines to reduce the number of laborers, and the tightening up of the methods and processes of manufacturing for the purpose of reducing establishment expenses!

What has labor gained by all the strikes? Higher nominal wage, shorter hours, and a higher cost of living and rent. When the Executive took office, the market basket could be filled with the necessary eatables for \$3.26. Just before the end of his first term, the same basket would cost the housewife \$5.00. (The figures are taken from the report of the Bureau of Labor Statistics.) Now when rent, raiment, and shoes, to say nothing of medicine, amusements, tobacco, and liquor, are taken into consideration, it must be obvious that all a strike

can do for the workman is to give him immediate relief from the pressure of higher prices. But the very relief that he receives is the cause of another rise in prices, which means, another strike will soon be necessary. And this has been the history of all strikes that have taken place since the middle of the last century. No labor leader has ever thought it worth while to think out a plan whereby labor's condition might be maintained without all this strife, loss of wage, and comparatively futile dissension. No labor leader has thought of such a thing, for the very good reason that the alternative would make labor leaders unnecessary. Now the preposterous horn of the dilemma is that labor goes on paying tribute to labor leaders without deriving the slightest compensation over long terms.

#### PAYING TRIBUTE

The faith certain men manifest in this utterly outworn scheme, wherein they find the money to advance the social and political aspirations of their leaders, may be magnificent, but it is not commendable. Whether the faith be really whole-hearted or not, the fact remains that huge aggregations of men must pay tribute, or take their medicine. It is useless for men who have examined this interesting development to say that such and such percentages of union men would now be glad to be rid of the incubus. The men can be rid of it any time they desire, if they act together. Indeed, men can be rid of any shackle if they act in concert. Their trouble is they do not so act.

It is pathetic to hear some of the workmen's defenders say that every man in his heart desires to work as long as his strength and health will permit, and to amass as much money as he can earn. Yet, he is a mem-

ber of an organization which restricts the hours he will work, and puts a limit on the amount that he can earn. The absurdity of this position was shown some years ago when a self-made director of a musician's union threatened to cause a strike of the members of a symphony orchestra. The managers of the symphony showed that there had been deficit after deficit for years and that, owing to the depression, there were fewer subscribers than ever. It was well-known that the members of the orchestra appreciated the situation and did not wish to be disturbed, for each and every one was conscious of what smaller audiences meant to him. The orchestra would have been glad to go on until times were better. What happened? The managers told the union leader to go on with his arrangements for a strike, that they had come to the conclusion that perhaps they would be money in pocket if they did not give a season for a year or two. The strike was called off in ten minutes. No orchestra, no tribute!