

FULL TEXT OF PRESIDENT'S MESSAGE

(Continued from page one.)

graphically or according to pursuit, or personal following. For a century and a third parties have been charged with responsibility and held to strict accounting. When they fail they are relieved of authority; and the system has brought us to a national eminence no less than a world example.

Necessarily legislation is a matter of compromise. The full ideal is seldom attained. In that meeting of minds necessary to insure results, there must and will be accommodations and compromises, but in the estimate of convictions and sincere purposes the supreme responsibility to national interest must not be ignored. The shield to the high minded public servant who adhere to party policy is manifest, but the higher purpose is the good of the republic as a whole.

It would be ungracious to withhold acknowledgment of the really large volume and excellent quality of work accomplished in the extraordinary session of congress which so recently adjourned. I am not unmindful of the very difficult task with which you were called to deal and no one can ignore the insistent conditions which, during recent years have called for the continued and almost exclusive attention of your membership to public work. It would suggest in sincerity if I expressed complete satisfaction with every roll call, but we are agreed about the difficulties and the inevitable divergence of opinion in seeking the reduction amelioration and readjustment of the burdens of taxation. Later on, when other problems are solved, I shall make some recommendations about renewed consideration of our tax program, but for the immediate time before us, we must be content with the billion dollar reduction in the tax draft upon the people, and diminished irritations, banished uncertainty and improved methods of collection. By your sustenance of the rigid economies already inaugurated, with hoped for extension of these economies and added efficiencies in administration I believe further reductions may be enacted and hindering burdens abolished.

In these urgent economies we shall be immensely assisted by the budget system for which you made provisions in the extraordinary session. The first budget is before you. Its preparation is a signal achievement and the perfection of the system, a thing impossible in the few months available for its initial trial, will mark its enactment as the beginning of the greatest reformation in governmental practices since the beginning of the republic.

There is pending a grant of authority to the authoritative branch of the government for the funding and settlement of our vast foreign loans growing out of our grants of war credits. With the hands of the executive branch held hapless to deal with these debts, we are hindering urgent readjustment among our debtors and accomplishing nothing for ourselves. I think it is fair for the congress to assume that the executive branch of the government would adopt no major policy in dealing with these matters, which would conflict with the purpose of congress in authorizing the loans, certainly not without asking congressional approval, but there are minor problems incident to prudent loan transactions and the safeguarding of our interests which cannot even be attempted without this authorization. It will be helpful to ourselves and it will improve conditions among our debtors if funding and the settlement of defaulted interest may be negotiated.

Merchant Marine.

The previous congress, deeply concerned in behalf of our merchant marine, in 1920 enacted the existing shipping law, designed for the rebuilding of the American merchant marine. Among other things we provided to encourage our shipping on the world's seas, the executive was directed to give notice of the termination of all existing commercial treaties in order to admit of reduced duties on imports carried in American bottoms. During the life of the act, no executive has complied with this order of the congress. When the present administration came into responsibility, it began an early inquiry into the failure to execute the expressed purpose of the Jones act. Only one conclusion has been possible. Frankly, members of house and senate, as I am to join you in the making of an American merchant marine commensurate with our commerce, the denunciation of our commercial treaties would involve us in a chaos of trade relationships and add indescribably to the confusion of the already disordered commercial world. Our power to do so is not disputed, but peace and ships, without unity of relationship will not give us the expanded trade, which inseparably is linked with a great merchant marine. Moreover, the applied reduction in duties for which the treaty denunciations were necessary, encouraged only the carrying of dutiable imports to our shores, while the tonnage which unfairly the

to or add to the responsibilities of the office. They are already too large. If there were any other plan I would prefer it.

The grand of authority to proclaim would necessarily bring the tariff commission into new and enlarged activities, because no executive could discharge such a duty except upon the information acquired and recommendations by this commission. But the plan is feasible, and the proper functioning of the board would give us a better administration of a defined policy than ever can be made possible by tariff duties prescribed without flexibility.

There is a manifest divergence of opinion about the American valuation. Many nations have adopted delivery valuation as the basis for collecting duties; that is, they take the cost of imports delivered at the port of entry as the basis for levying duty. It is no radical departure, in view of the varying conditions and the disorderly state of money values, to provide for American valuation, but there can not be ignored the danger of such valuation brought to the level of our own production costs making our tariffs prohibitive. It might do so in many instances where imports ought to be encouraged. I believe congress ought well to consider the desirability of compromising alternatives.

The Tariff.

There is before you the completion of the amendment of what has been termed "permanent" tariff law, the word "permanent" being used to distinguish it from the emergency act, which the congress expedited early in the extraordinary session, and which is the law today. I cannot too strongly urge an early completion of this necessary legislation. It is needed to stabilize our industry at home; it is essential to make more definite our trade relations abroad. More, it is vital to the preservation of many of our own industries, which contribute so notably to the very lifeblood of our nation.

There is now and there always will be, a storm of conflicting opinion about any tariff revision. We cannot so far wrong when we base our tariffs on the policy of preserving the productive activities, which enhance employment and add to our national prosperity.

Give and Take

Again comes the reminder that we must not be unmindful of world conditions, that peoples struggling for industrial rehabilitation and that we cannot dwell in industrial and political seclusion and at the same time do the just thing in aiding world recognition and readjustment. We do not seek a selfish aloofness, and we could not profit by it, were it possible. We recognize the necessity of buying wherever we sell, and the permanence of trade lies in its acceptable exchanges. In our pursuit of markets we must give as well as receive. We cannot sell to others who do not produce at home. Sensible of every obligation of humanity, commerce and finance, linked as they are in the present world condition, it is not to be argued that we need destroy ourselves to be helpful to others. With all my heart, I wish restoration to the peoples blighted by the awful world war, but the process of restoration does not lie in our acceptance of like conditions. It were better to remain on firm ground, strive for ample employment and high standards of wages at home, and point the way to balanced budgets, right economy, and resolute, efficient work as the necessary remedies to cure disaster.

Everything relating to trade among ourselves and among nations has been expanded, excessive, inflated, abnormal and there is a madness in finance which no American policy alone can cure. We are a creditor nation, not by normal processes, but made so by war. It is not an unworthy selfishness to seek to save ourselves when the processes of that salvation are not only not denied to others but commended to them. We seek to undermine for others no industry by which they subsist; we are obligated to permit the undermining of none of our own which make for employment and maintained activities.

Every contemplation of little matters in which direction one turns, magnifies the difficulty of tariff legislation but the necessity of the revision is magnified with it. Doubtless we are justified in seeking a more flexible policy than we have provided heretofore. I hope a way will be found to make for flexibility and elasticity, so that rates may be adjusted to meet unusual and changeable conditions which cannot be accurately anticipated. There are problems incident to unfair practices, and to exchanges which madness in money have made almost insolvable. I know of no manner in which to effect this flexibility other than the extension of the powers of the tariff commission so that it can advance itself to a scientific and wholly just administration of the law.

I am not unmindful of the constitutional difficulties. These can be met by giving authority to the chief executive who could proclaim additional duties to meet conditions, which the congress may designate.

At this point I must disavow any desire to enlarge the executive's powers

to add to the responsibilities of the office. They are already too large. If there were any other plan I would prefer it.

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Freight Rates

The existing scheme of adjusting freight rates has been favoring the basing points, until industries are attracted to some centers and repelled from others. A great volume of economic transportation has resulted and the cost accordingly. The grain milling and meat packing industries afford ample illustration and the attending concentration is readily apparent. The menaces in concentration are not limited to the retarding influence on agriculture. Manifestly the conditions and terms of railway transportation ought not be permitted to increase the undesirable tendency. We have a just pride in our great cities but we shall find a greater pride in the nation which has a larger distribution of its population into the country, where comparatively self sufficient communities may blend agriculture and manufacturing interests in harmonious helpfulness and enhanced good fortune. Such a movement contemplates no destruction of things wrought, of investments made or wealth involved. It only looks to a general policy of transportation of distributed industry and of highway construction, to encourage the spread of our population and restore the proper balance between city and country. The problem may well have your earnest attention.

Humanism

It has been perhaps the proudest claim of our American civilization that in dealing with human relationships it has constantly moved toward such justice in distributing the product of human energy that it has improved continuously the economical status of the mass of people. Ours has been a highly productive social organization. On the way up from the elemental stages of society we have eliminated slavery and serfdom and are now far on the way to the elimination of poverty.

Through the eradication of illiteracy and the diffusion of education mankind has reached a stage where we may fairly say that in the United States equality of opportunity has been attained, though all are not prepared to embrace it. There is, indeed, a too great divergence between the economic conditions of the most and the least favored classes in the community. But even that divergence has now come to the point where we bracket the very poor and the very rich together as the least fortunate classes. Our efforts may well be directed to improving the status of both.

While this set of problems is commonly comprehended under the general phrase "capital and labor" it is really vastly broader. It is a question of social and economic organization. Labor has become a large contributor, through its savings, to the stock of capital; while the people who own the largest individual aggregates of capital, are themselves often hard and earnest laborers. Very often it is extremely difficult to draw the line of demarcation between the two groups; to determine whether a particular individual is entitled to be set down as laborer or as capitalist. In a very large proportion of cases he is both, and when he is both, he is the most useful citizen.

Aid to Farmers

Something more than tariff protection must help agriculture. The farm has come near readjustment. The actual depression in our agricultural industry while agricultural prosperity is absolutely essential to the general prosperity of the country.

Congress has sought very earnestly to provide relief. It has promptly given such temporary relief as has been possible, but the call is insistent for the permanent solution. It is inevitable that large crops lower the price and short crops advance them. No legislation can cure that fundamental law. But there must be some economic solution for the excessive variation in returns for agricultural industry.

It is rather shocking to be told and to have the statement strongly supported, that 3,000,000 bales of cotton, raised on American plantations in a given year, actually will be worth more to the producers than 12,000,000 bales would have been. Equally shocking is the statement that 700,000,000 bushels of wheat raised by American farmers, would bring them more than a billion bushels. Yet there are not exaggerated statements. In a world millions who need food and clothing which they cannot get.

The Remedy

In the main the remedy lies in distribution and marketing. Every proper encouragement should be given to the co-operative marketing programs. These have proven very helpful to the cooperating communities in Europe. In Russia the co-operative community has become a recognized bulwark of law and order and saved individualism from engulfment. Ultimately they will be credited with the salvation of the Russian state.

No one can dispute that we cannot live without the farmer. He is justified in rebelling against the transportation cost. Given a fair return for his labor, he will have less occasion to appeal for financial aid, and given assurance that his labors shall not be in vain, we reassure all the people of a production sufficient to meet our na-

tional requirement and guard against disaster.

The base of the pyramid of civilization which rests upon the soil is shrinking through the drift of population from farm to city. For a generation we have been expressing more or less concern about this tendency. Economists have warned and statesmen have deplored. We thought for a time that modern conveniences and the more intimate contact would halt the movement, but it has gone steadily on. Perhaps only grim necessity will correct it, but we ought to find a less drastic remedy.

Money Flexibility

In this proposed flexibility, authorizing increases to meet conditions so likely to change, there should also be provision for decreases. A rate may be just today, and entirely out of proportion six months from today. If our tariffs are to be made equitable, and not necessarily burden our imports and hinder our trade abroad frequent adjustments will be necessary for years to come. Knowing the impossibility of modification by act of congress for any one or a score of lines without involving a long array of schedules, I think we shall go a long way toward stabilization, if there is recognition of the tariff commission's fitness to recommend urgent changes by proclamation. I am sure about public opinion favoring the early determination of our tariff policy. There have been reassuring signs of a business revival from the deep slump which all the world has been experiencing. Our unemployment which gave us deep concern only a few weeks ago, has grown encouragingly less, and new assurances and renewed confidence will attend the congressional declaration that American industry will be held secure.

Much has been said about the protective policy for ourselves making it impossible for our debtors to discharge their obligations to us. This is a contention not now pressing for decision. If we must choose between a people in idleness pressing for the payment of indebtedness, or a people resuming the normal ways of employment and carrying the credit, let us choose the latter. Sometimes we appraise largest the human ill most vivid in our minds. We have been giving, and are giving now, of our influence and appeals to minimize the likelihood of war and throw off the crushing burdens of armament. It is all very earnest, with a national soul impelling. But a people unemployed and gaunt with hunger face a situation quite as disheartening as war, and our greater obligation today is to do the government's part toward resuming productivity and promoting fortunate and remunerative employment.

The Ex-Service Man

After each war, until the last, the government has been enabled to give homes to its returned soldiers, and a large part of our settlement and development has attended this generous provision of land for the nation's defenders.

There is yet unreserved approximately 200,000,000 acres in the public domain, 20,000,000 acres of which are known to be susceptible of reclamation an made fit for homes by provision of irrigation.

The government has been assisting in the development of its remaining lands, until the estimated increase in land values in the irrigated sections is fully \$500,000,000, and the crops of 1920 alone on these lands are estimated to exceed \$100,000,000.

Under the law authorizing these expenditures for development, the advances are to be returned, and it would be good business for the government to provide for reclamation of the remaining 20,000,000 acres, in addition to expediting the completion of projects long under way.

Under the law known as the coal and gas lease law, applicable also to deposits of phosphates and other minerals on the public domain, leases are now being made on the royalty basis, and are producing large revenues to the government. Under this legislation ten per centum of all royalties is to be paid directly to the federal treasury and the remainder fifty per centum is to be used for reclamation of arid lands by irrigation and forty per centum is to be paid to the states in which the operations are located, to be used by them for school and road purposes.

These resources are so vast and the development is affording so reliable a basis of estimate, that the interior department expresses the belief that ultimately the present law will add in royalties and payments to the treasuries of the federal government and the states containing these public lands a total of \$12,000,000,000. This means, of course, an added wealth of many times that sum. These prospects seem to afford every justification of government advances in reclamation and irrigation.

Contemplating the inevitable and desirable increase of population, there is another phase of reclamation fully worthy of consideration. There are 75,000,000 acres of swamp and cut over lands which may be reclaimed and made as valuable as any farm lands we possess. These acres are largely located in southern states, and the greater proportion is owned by the states or by private citizens. Congress has a report of the survey of this field for reclamation and the feasibility is established. I gladly commend federal aid, by way of advances where state and private participation is assured.

Home-making is one of greater benefits which government can bestow. Measures are pending embodying these sound policies to which we may well adhere. It is easily possible to make available permanent homes which will provide, in turn for prosperous American families, without injurious competition with established activities, or imposition on wealth already acquired.

While we are thinking of promoting the fortunes of our own people, I am sure there is room in the sympathetic thought of America for fellow human beings who are suffering and dying of starvation in Russia. A severe drought in the valley of the Volga has plunged 15,000,000 people into previous famine. Our voluntary agencies are exerting themselves to the utmost to save the lives of children in this area, but it is now evident

that unless relief is afforded the loss of life will extend into many millions. America can not be deaf to such a call as this.

No Russian Recognition.

We do not recognize the government of Russia or tolerate the proposals which, originate therefrom, but we do not forget the tradition of Russian friendship. We may not add our consideration of all international politics and fundamental difficulties in government. The big thing is the call of the suffering and the dying. Unreservedly I recommend the appropriation necessary to supply the American relief administration with ten million bushels of corn and one million bushels of seed grains, not alone to halt the wave of death through starvation, but to enable spring planting in areas where the seed grains have been exhausted temporarily to stem starvation.

The American relief administration is directed in Russia by former officers of our own armies, and has fully demonstrated its ability to transport and distribute relief through American hands without hindrance or loss. The time has come to add the governments support to the wonderful relief already wrought, out of the generosity of the American private citizenry.

I am not unaware that we have suffering and privation at home. When it extends the capacity for the relief within the states concerned, it will have federal consideration. It seems to me we should be indifferent to our own heart promptings, and out of accord with the spirit which claims the Christmas tide, if we do not give out of our national abundance to lighten the burden of war upon a people blameless and hapless in a famine's perils.

There are a full score of topics concerning which it would be becoming to address you, and on which I hope to make report at a later time. I have alluded to the things requiring your earlier attention. However, I cannot end this limited address without a suggested amendment to the organic law.

Many of us belong to that school of thought which is hesitant about altering the fundamental law. I think our tax problems, the tendency of wealth to seek non-taxable investment, and the menacing increase of public debt

of strikes, lockouts, boycotts and the like.

As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference of common counsel, of mediation, arbitration and judicial distribution, in controversies between labor and capital. To accomplish this would involve the necessity to develop a thorough going code of practice in dealing with such affairs. It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights, privileges, immunities and modes of organization thus carefully defined, it should be possible to set up judicial or quasi judicial tribunals for the consideration and determination of all disputes which menace the public welfare.

In an industrial society such as ours the strike, the lockout and the boycott are as much out of place and as disastrous in their results as is war or armed revolution in the domain of politics. The same disposition to reasonableness, to conciliation, to recognition of the other side's point of view, the same provision of fair and recognized tribunals and processes, ought to make it possible to solve the one set of questions as easily as the other. I believe the solution is possible.

The consideration of such a policy would necessitate the exercise of care, of deliberation. In the construction of a code and a charter of elemental rights, dealing with the relations of employer and employe. This foundation in the law, dealing with the modern conditions of social and economic life, would hasten the building of the temple of peace in industry which a rejoicing nation would acclaim.

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The right of labor to organize, is just as fundamental and necessary as is the right of capital to organize. The right of labor to negotiate, to deal with and solve its particular problems in an organized way, through its chosen agents, is just as essential as is the right of capital to organize, to maintain corporations, to limit the liabilities of stockholders. Indeed, we have come to recognize that the limited liability of the citizen as a member of a labor organization closely parallels the limitation of liability of a citizen as a stockholder in a corporation for profit. Along this line of reasoning we shall make the greatest progress toward solution of our problem of capital and labor.

In the case of the corporation, which enjoys the privilege of limited liability of stockholders, particularly when engaged in the public service it is recognized that the outside public has a large concern which must be protected; and so we provide regulations, restrictions, and in some cases, detailed supervision. Likewise in the case of labor organizations, we might well apply similar and equally well defined principles of regulation and supervision in order to conserve the public's interests as affected by their operations.

Just as it is not desirable that a corporation shall be allowed to impose undue actions upon the public so it is not desirable that a labor organization shall be permitted to exact unfair terms of employment or subject the public to actual distresses in order to enforce its terms. Finally, just as we are earnestly seeking for procedures whereby to adjust and settle political differences between nations without resort to war, so we may well look about for means to settle the differences between organized capital and organized labor without resort to those forms of warfare which we recognize under the name

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Just as it is not desirable that a corporation shall be allowed to impose undue actions upon the public so it is not desirable that a labor organization shall be permitted to exact unfair terms of employment or subject the public to actual distresses in order to enforce its terms. Finally, just as we are earnestly seeking for procedures whereby to adjust and settle political differences between nations without resort to war, so we may well look about for means to settle the differences between organized capital and organized labor without resort to those forms of warfare which we recognize under the name

of strikes, lockouts, boycotts and the like.

As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference of common counsel, of mediation, arbitration and judicial distribution, in controversies between labor and capital. To accomplish this would involve the necessity to develop a thorough going code of practice in dealing with such affairs. It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights, privileges, immunities and modes of organization thus carefully defined, it should be possible to set up judicial or quasi judicial tribunals for the consideration and determination of all disputes which menace the public welfare.

In an industrial society such as ours the strike, the lockout and the boycott are as much out of place and as disastrous in their results as is war or armed revolution in the domain of politics. The same disposition to reasonableness, to conciliation, to recognition of the other side's point of view, the same provision of fair and recognized tribunals and processes, ought to make it possible to solve the one set of questions as easily as the other. I believe the solution is possible.

The consideration of such a policy would necessitate the exercise of care, of deliberation. In the construction of a code and a charter of elemental rights, dealing with the relations of employer and employe. This foundation in the law, dealing with the modern conditions of social and economic life, would hasten the building of the temple of peace in industry which a rejoicing nation would acclaim.

The Ex-Service Man

After each war, until the last, the government has been enabled to give homes to its returned soldiers, and a large part of our settlement and development has attended this generous provision of land for the nation's defenders.

There is yet unreserved approximately 200,000,000 acres in the public domain, 20,000,000 acres of which are known to be susceptible of reclamation an made fit for homes by provision of irrigation.

The government has been assisting in the development of its remaining lands, until the estimated increase in land values in the irrigated sections is fully \$500,000,000, and the crops of 1920 alone on these lands are estimated to exceed \$100,000,000.

Under the law authorizing these expenditures for development, the advances are to be returned, and it would be good business for the government to provide for reclamation of the remaining 20,000,000 acres, in addition to expediting the completion of projects long under way.

Under the law known as the coal and gas lease law, applicable also to deposits of phosphates and other minerals on the public domain, leases are now being made on the royalty basis, and are producing large revenues to the government. Under this legislation ten per centum of all royalties is to be paid directly to the federal treasury and the remainder fifty per centum is to be used for reclamation of arid lands by irrigation and forty per centum is to be paid to the states in which the operations are located, to be used by them for school and road purposes.

These resources are so vast and the development is affording so reliable a basis of estimate, that the interior department expresses the belief that ultimately the present law will add in royalties and payments to the treasuries of the federal government and the states containing these public lands a total of \$12,000,000,000. This means, of course, an added wealth of many times that sum. These prospects seem to afford every justification of government advances in reclamation and irrigation.

Contemplating the inevitable and desirable increase of population, there is another phase of reclamation fully worthy of consideration. There are 75,000,000 acres of swamp and cut over lands which may be reclaimed and made as valuable as any farm lands we possess. These acres are largely located in southern states, and the greater proportion is owned by the states or by private citizens. Congress has a report of the survey of this field for reclamation and the feasibility is established. I gladly commend federal aid, by way of advances where state and private participation is assured.

Home-making is one of greater benefits which government can bestow. Measures are pending embodying these sound policies to which we may well adhere. It is easily possible to make available permanent homes which will provide, in turn for prosperous American families, without injurious competition with established activities, or imposition on wealth already acquired.

While we are thinking of promoting the fortunes of our own people, I am sure there is room in the sympathetic thought of America for fellow human beings who are suffering and dying of starvation in Russia. A severe drought in the valley of the Volga has plunged 15,000,000 people into previous famine. Our voluntary agencies are exerting themselves to the utmost to save the lives of children in this area, but it is now evident

that unless relief is afforded the loss of life will extend into many millions. America can not be deaf to such a call as this.

No Russian Recognition.

We do not recognize the government of Russia or tolerate the proposals which, originate therefrom, but we do not forget the tradition of Russian friendship. We may not add our consideration of all international politics and fundamental difficulties in government. The big thing is the call of the suffering and the dying. Unreservedly I recommend the appropriation necessary to supply the American relief administration with ten million bushels of corn and one million bushels of seed grains, not alone to halt the wave of death through starvation, but to enable spring planting in areas where the seed grains have been exhausted temporarily to stem starvation.

The American relief administration is directed in Russia by former officers of our own armies, and has fully demonstrated its ability to transport and distribute relief through American hands without hindrance or loss. The time has come to add the governments support to the wonderful relief already wrought, out of the generosity of the American private citizenry.

I am not unaware that we have suffering and privation at home. When it extends the capacity for the relief within the states concerned, it will have federal consideration. It seems to me we should be indifferent to our own heart promptings, and out of accord with the spirit which claims the Christmas tide, if we do not give out of our national abundance to lighten the burden of war upon a people blameless and hapless in a famine's perils.

There are a full score of topics concerning which it would be becoming to address you, and on which I hope to make report at a later time. I have alluded to the things requiring your earlier attention. However, I cannot end this limited address without a suggested amendment to the organic law.

Many of us belong to that school of thought which is hesitant about altering the fundamental law. I think our tax problems, the tendency of wealth to seek non-taxable investment, and the menacing increase of public debt

of strikes, lockouts, boycotts and the like.

As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference of common counsel, of mediation, arbitration and judicial distribution, in controversies between labor and capital. To accomplish this would involve the necessity to develop a thorough going code of practice in dealing with such affairs. It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights, privileges, immunities and modes of organization thus carefully defined, it should be possible to set up judicial or quasi judicial tribunals for the consideration and determination of all disputes which menace the public welfare.

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Humanism

It has been perhaps the proudest claim of our American civilization that in dealing with human relationships it has constantly moved toward such justice in distributing the product of human energy that it has improved continuously the economical status of the mass of people. Ours has been a highly productive social organization. On the way up from the elemental stages of society we have eliminated slavery and serfdom and are now far on the way to the elimination of poverty.

Through the eradication of illiteracy and the diffusion of education mankind has reached a stage where we may fairly say that in the United States equality of opportunity has been attained, though all are not prepared to embrace it. There is, indeed, a too great divergence between the economic conditions of the most and the least favored classes in the community. But even that divergence has now come to the point where we bracket the very poor and the very rich together as the least fortunate classes. Our efforts may well be directed to improving the status of both.

While this set of problems is commonly comprehended under the general phrase "capital and labor" it is really vastly broader. It is a question of social and economic organization. Labor has become a large contributor, through its savings, to the stock of capital; while the people who own the largest individual aggregates of capital, are themselves often hard and earnest laborers. Very often it is extremely difficult to draw the line of demarcation between the two groups; to determine whether a particular individual is entitled to be set down as laborer or as capitalist. In a very large proportion of cases he is both, and when he is both, he is the most useful citizen.

The right of labor to organize, is just as fundamental and necessary as is the right of capital to organize. The right of labor to negotiate, to deal with and solve its particular problems in an organized way, through its chosen agents, is just as essential as is the right of capital to organize, to maintain corporations, to limit the liabilities of stockholders. Indeed, we have come to recognize that the limited liability of the citizen as a member of a labor organization closely parallels the limitation of liability of a citizen as a stockholder in a corporation for profit. Along this line of reasoning we shall make the greatest progress toward solution of our problem of capital and labor.

In the case of the corporation, which enjoys the privilege of limited liability of stockholders, particularly when engaged in the public service it is recognized that the outside public has a large concern which must be protected; and so we provide regulations, restrictions, and in some cases, detailed supervision. Likewise in the case of labor organizations, we might well apply similar and equally well defined principles of regulation and supervision in order to conserve the public's interests as affected by their operations.</