

(December 10, 1906.)

## A Constructive Social Policy.

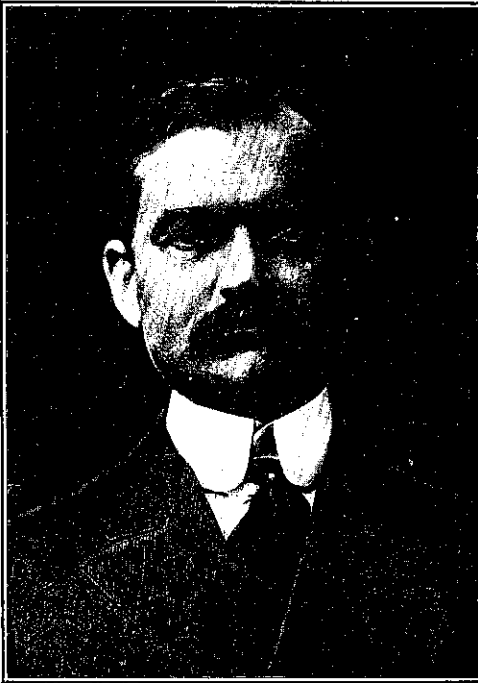
BY PROF. WALTER A. WYCKOFF, PRINCETON UNIVERSITY.

ADDRESSING the Canadian Club on "A Constructive Social Policy," Prof. Walter A. Wyckoff, of Princeton University, said:—

*Mr. President and Gentlemen of the Canadian Club,*—I should fall very far short of my own feelings on this occasion did I not at the start give expression to my appreciation of your very generous invitation to come here again to-day to address you. As I look out upon your countenances, many of which I remember with pleasure, I have a feeling of being singularly at home. I am conscious of the comfort of feeling at home with you all and have the assurance that I have your kindly attention.

On Saturday evening in a conversation with Earl Grey, he made to me a most significant remark. He stated that when he is asked what he considers the most important contribution Canada has made to the United States he replies the example of the organization of Canadian Clubs, where any man with a sincere message is open to speak his mind, and which are everywhere cordially willing and ready to convey to their neighbors across the border any sincere message to promote good-will and amicable feeling between each other, and I may add to what His Excellency said that we in the United States cannot do better than follow the excellent example set for us. And this applies particularly to your own Club in the parent relation of yourselves to the others.

Speaking of our subject, a constructive social policy, in our various callings, the members of the Club have doubtless many and varied viewpoints. A friend of mine examines the papers for the civil service tests in New York. He has devoted many hours, many days, aye, and many months to the development of the civil service system in the State of New York. It is arduous, tedious, exacting work, but there are moments in which there is something of compensation. One time, of which he was telling me, he was engaged in reading the papers. One of the questions, it seems, was: "What is the distance from the earth to the sun?" The applicant had written for his answer: "I don't know. But it doesn't mat-



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ter, because I am applying for the position of night watchman." He passed with honors.

It immediately occurs to me that for some of us the problem of a constructive social policy has only a distant and unreal interest. It may be—and doubtless is—a subject upon which widely divergent views are held. Yet I have no hesitation in introducing the subject for discussion here, for my feelings are sincere and, as I said before, I have a personal and kindly realization of the confirmed habit of your Club to extend to all a sympathetic hearing.

To my mind the earnest, effectual consideration of the subject is not affected by the difference in the point of departure. It matters not whether we are socialists or individualists, our analysis of the situation will be much the same. The features which must determine the outcome of the modern industrial revolution are clearly defined. Those of outstanding importance may be briefly enumerated. They are: The factory system of production, the housing of the industrial population, the regulation of joint stock enterprises, the regulation of transportation monopoly. In this catalogue should also be included the education of the democracy. Upon all of these the directing power of modern democracy in industrial communities has been felt since the industrial revolution one hundred and fifty years ago.

Both the socialist and the individualist must agree that the traditional policy of *laissez faire*, of "let alone," has broken down completely. We all recognize that industrial enterprise cannot now go on uncontrolled by Governmental action. We are intervening in the factory system of production, in the housing of the industrial population, in the regulation of joint stock companies, in the regulation of transportation monopolies, and in the education of the community. On the grounds of pure economic theory the crux of the problem is no longer that of production, but the matter of the distribution of wealth. We have our great industrial population, both in relation to the resources of nature and to the character of industrial application in the creation of wealth, and to preserve a proper equilibrium, a just balance, there should be a just distribution of that wealth.

The problem is a great—an important one. Those who have arrived at the conclusions embodied in the doctrine of socialism say that is the true answer. It is, at all events, an answer. And it means, in the final finding, the use of political power for the overthrowing of existing conditions and the

establishment of a social order of affairs with collective ownership of the materials of production.

Those of us who are individualists, who regard our theory as fundamental to the whole moral system, have we an answer?

I confess at the outset that if we have simply the traditional individualism of the Manchester school of Liberalism, we are bound to acknowledge ourselves intellectually bankrupt. The traditional individualism of Liberalism is wholly ignorant of the economic conditions of the last hundred and fifty years. Therefore it is necessary to examine the grounds under our feet as individualists.

Individualism means what? Define it in clear-cut terms. It means more than it is usually considered to mean. Adam Smith, the author of "The Wealth of Nations," was a Scotsman with all the characteristics of a Scotsman for acquiring and optioning knowledge. He had a catholic conception of wealth as knowledge, freedom, health, and character, in addition to markets and money. He lays clear a claim or right on the part of the individualist. The right of every citizen is to life and the protection of his property. He maintains that the end of government is the securing and maintaining of just and humane dealing between man and man.

Is the individual threatened by force, or fraud, or foreign invasion? Then it is the duty of the Government to protect. Is the individual threatened by contagious disease? Then it is the moral obligation of the Government to provide the remedy. Is the individual threatened by the evils that accompany ignorance? Then it is the duty of the Government to supply education. If the economic conditions do not protect the weak in relation to others, then the Government must so intervene as to restore the prerequisite conditions and assure to every individual an unutilized manhood.

This individualism is no fetish. It is one of the fundamental, philosophic concepts of the whole social and industrial superstructure. It is well expressed in the incomparable writings of Adam Smith. It is the obligation of securing, insuring and maintaining just and humane dealing between man and man.

What is to be the motive power of those acting as individualists? To the socialists industrialism means a social cleavage.

How do we understand the French Revolution—the crisis in the conflict between the aristocracy and the proletariat—how do we understand it industrially?

Let us analyze. The United States population is estimated at 76,000,000. Of these we find 27,000 engaged in agricultural pursuits, where individualism thrives; 3,000,000 are engaged in professional callings; 12,500,000 in trade and transportation; 14,500,000 in personal and other services, and 18,500,000 in the various manufacturing processes. The animus of the movement must not be a class conflict. It must be the interests of the people as a whole as against the interests of a coterie who misuse the capital in exploiting the community. Individualism must be a democratic movement, not in the interests of a small portion of the community, but in the interests of the community as a whole.

Is it a question of taxing? Then we must abolish protection and establish free trade. Is it a problem of exploiting the individual in long hours of labor? Then the individualistic Government is not interfering in the legitimate welfare of the company when it steps in because the health of the whole community is being endangered by the labor of young children. The Government has the right—and is—right to intervene. The health and welfare of its people is infinitely more than the commercial prosperity of a few. It is in line with the historic doctrine I have already quoted that every individual has the right to an un mutilated and undeformed manhood.

There are times when it is the duty of the Government to intervene. When Roosevelt last winter brought in his Railroad Regulation Bill, he took an individualistic, not a socialistic, course. It was the truest and the soundest individualism.

We should not hesitate because there seems no exhausting of the subjects for investigation. There should be the abolition of such parasitical trade and enterprise as the sweating system. This should be done on grounds individualistic. There should be the establishment of a national minimum wage; there should be a policy of freer trade, regular hours of labor, the abolition of the labor of young children, the ending of improper granting of charters to joint stock companies—whatever the result of investigation shows to be extreme and dangerous to the rights of the individual.

We must avoid the extreme position of Mr. Baer, who holds that he is a privileged proprietor and a divinely appointed custodian of the property of the people, or of the light-hearted Mr. Bernard Shaw, who would arbitrate, arrange and abolish over-night.

There is a perfectly safe middle ground. It is the evolutionary development of public rights which goes back to the beginnings of civilization and has a history unquestionably before it.

Let me illustrate. A manufacturer in New England fifty years ago had practically no limitations in the construction or operation of his mill, how it must be built, its sanitary conditions. To-day the builder would have to conform to social regulations, to sanitary conditions, to required methods of construction. It is my mill, if I choose, but it is only my mill because I've conformed to the requirements of the public. There is a concrete instance of private property rights, the consciousness of the rights of the community and its expression in legislation. Society has the right to draw up and carry into effect a practical programme of social politics.

Furthermore, I venture to say when it comes to the practical application of the positive programme of individualism, the taxing of the people by a protective tariff, over-long hours of labor, the labor of young children, the improper granting of joint stock companies' charters, and multitudinous other matters I might mention, the Government not only has the right, but has the obligation to act. I am no believer in the single tax doctrine, but I recognize the existence of an unearned increment in the good-will of a business. We should aim to increase the earning power of the individual to the community, not to profit on his part.

The savings in the United States as represented by the Savings Bank returns, are \$3,000,000,000, equal to the national debt at the close of the civil war. They represent the deposits of 8,000,000 people. Insurance represents an enormous accumulation by wage-earners. Building and loan associations increase the returns. Better times are coming. People are owning the instruments with which they work.

I shall conclude with an appeal to fact, to my feelings of confidence in the intelligence and moral qualities of the people. The necessity of the day is not organization and displacement. The supreme industrial need is an awakened and enlightened people, struggling for the realities of individualism and the maintaining of justice and humane dealing between man and man.