

The Year Book of College Debating

INTERCOLLEGIATE
DEBATES

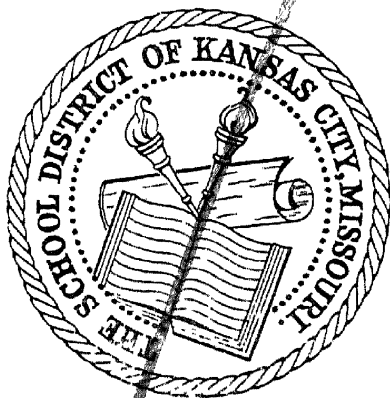
Affirmative and Negative

Volume XVI

Edited by
ROBERT RAY NICHOLS

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Intercollegiate Debates

(Volume XVI)

THE YEAR BOOK OF COLLEGE DEBATING

WISCONSIN—IOWA—ILLINOIS—KANSAS—SOUTH DAKOTA—
UTAH—NORTHWESTERN—CINCINNATI—DENISON—
BOSTON—TOLEDO UNIVERSITIES—BATES—KENT
—BOWLING GREEN—KANSAS STATE AGRI-
CULTURAL—KANSAS STATE TEACHERS
COLLEGES

EDITED BY

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EDITOR'S FOREWORD

THE launching of another volume in the Intercollegiate Debates Series needs little comment. The present volume has as attractive an array of subjects as has appeared recently in a volume of debates. More good subjects were debated during the 1934-35 season, perhaps, because the big national subjects chosen by the Pi Kappa Delta National Forensic Society was not as large in scope or as all absorbing in interest as usual in that selection. Also, the season was not one of the biennial National Convention, was marked by less traveling, and hence permitted wider diffusion in subjects.

The annual survey made early in the fall of 1934 revealed that approximately forty-five or fifty subjects would be debated by American colleges during the season. Of these, the Pi Kappa Delta subject, The Prevention of the International Shipment of Arms and Munitions, and the annual National High School Subject chosen by the University Extension Association, Federal Aid to Education, were the most widely discussed propositions. Ranking next in popular choice were the following subjects: Collective Bargaining by Non-Company Unions, Socialized Medicine, Nationalization of Arms and Munitions Manufacture, Government Ownership of Public Utilities, Limitation of

Incomes and Inheritances, The Townsend Plan for Old Age Pensions and the Unicameral System of State Legislature.

The subject of Socialized Medicine has since been chosen as the National High School Subject for the season of 1935-36, and the Unicameral Legislature is to be debated next season. The Ohio Conference has chosen the question of Depriving the Supreme Court of Power to Declare Acts of Congress Unconstitutional. The Pi Kappa Delta subject, the Mid-west Conference subject and many others are still to be chosen. At the present time it looks very much as if discussions of Banking Legislation, Police Power over Crime for the Federal Government, and Limitation of Income and Inheritance would enter considerably into the new debate season discussions. Undoubtedly the Merits of the New Deal will be widely discussed, especially as the time nears for the 1936 Presidential campaign. Also, Public Utility Holding Companies furnish a topic of absorbing interest to collegiate debaters.

The last season proved debate tournaments to be as popular as ever, and saw also the spread of the new idea of Convention Debating originated in Syracuse University last year. The coming season is likely to continue these forms of debating. The coming season will also see another large debate tournament and convention when the Pi Kappa Delta colleges gather at Houston, Texas, the first week in April, 1936. The radio debate, too, seems to be holding its place on the air. The unrest so marked a few years ago in the debate world with the attacks upon decision debating

and the older forms of debate seems to be passing, the present methods seem to be settling down into standardization, and the extent and interest in the intercollegiate and interscholastic debating seems to be growing.

The influence of the depression on debate appears to be to enforce economy rather than to curb the extent and popularity of the activity. The depression has also brought many new controversial subjects to the fore and in this respect has been an actual benefit to academic debate.

The Editor has found the preparation of the present volume of debates a pleasant task, and wishes to thank the many contributors who have made the book possible. He wishes also to bespeak the helpful cooperation of all debating institutions of collegiate and university rank in taking the survey of next season and in the collection of the succeeding volume or record for 1936.

EGBERT RAY NICHOLS.

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SOCIALIZED MEDICINE

An Extension Debate

SOCIALIZED MEDICINE
BOSTON UNIVERSITY AFFIRMATIVE
VS. BATES COLLEGE NEGATIVE

In an exhibition debate held before the Maine Wesleyan Seminary at Kents Hill, Maine, Boston University and Bates College teams discussed the subject which has been adopted as the National Question for the high schools of the country for the coming debate season, Socialized Medicine.

The question was stated, *Resolved: That the several states should enact legislation providing for a system of complete medical care available to all citizens at public expense.*

The speeches were collected and submitted to *Intercollegiate Debates* by Noel Carter LeRoque, director of debate at Boston University with the cooperation of Professor Brooks Quimby, director of debate at Bates College.

First Affirmative, Samuel Cohen
Boston University

LADIES AND GENTLEMEN: Mr. Wheeler and I are very happy to represent Boston University in a debate with Bates College here at Kents Hill Seminary. The warm reception that we have received has thawed us out after our inexperienced battle with the cold Maine weather.

Tonight we are faced with a proposition which affects the welfare and well-being of most of the people in the United States. We are concerned with a problem to which attention was called in the 1932 report

of the Committee on the Costs of Medical Care. The American Medical Association and the American College of Surgeons in 1934 took opposing stands on proposed changes in our medical system; in the same year President Roosevelt in his 1934 message to Congress asked for legislation to remedy some defects in our social system; and in addition, proposals for a change in the organization of medical service have been discussed by social workers, medical societies, and magazine writers.

We of the Affirmative say that the solution for those concerned with the problem is found in the resolutions "that the several states enact legislation providing for a system of complete medical care available to all citizens at public expense." We are going to try to show you that it is necessary, desirable, and practical for the states of this country to provide for some system whereby any and all of us can receive the type of treatment and care which is necessary for our well-being. Disraeli, a prime minister of England, once said, "Public health is the foundation upon which rests the happiness of the people and the power of the state." At present health conditions are not as good as they might be.

Studies of the incidence of illness and the corresponding need for medical service indicate that the volume of medical care required is substantially constant in a given period of time. We in the United States spend \$3,656,000.00 annually for medical purposes. Such were the findings of the Committee on the Costs of Medical Care. So it can be seen that the pres-

ent system of medical service, namely private medicine, is not reducing the volume of medical care or the need for it. The present system is also inadequate because many who wish to use it cannot reach it. There is a need for a change from our present system of private medicine. Permit me to show you wherein this need lies.

There are two questions which we ask: first, are the people able to pay for sufficient medical service under our present system? and second, is adequate medical service available to all those who require it?

First, as to ability to pay. There are three classes of people in this country: the rich, the poor, and the middle classes. It is obvious that when the well to do person is ill he can pay his hospital, doctor, and other bills incurred in curing him and making him well again. So we need feel no concern about the abilities of that small percentage of the people to purchase medical aid. That leaves the poor and the middle classes.

The poor class is in difficulty. 30% of all the families in the United States receive less than \$1200.00 per year. A family of five people, therefore, must live on an income of about \$23.00 per week. It spends 80% of its income on basic necessities. That leaves a very small amount for other essentials one of which is medical care. What can a family in that condition do when it is faced by an illness calling for an expenditure for treatment? The living conditions of most of the poorer class are such that disease is easily communicable. I know actual cases in the North end of Boston where families of ten to twelve people live in a little dark

three room flat. Medical care must be supplied to these people to ward off illnesses and diseases to which they are constantly exposed. How can we expect them to pay doctor bills when they can't even buy normal living comforts? As a result, 52% of those people do not pay their hospital bills. They cannot afford to meet the expenses of hospital care, services of specialists, nurses, and X-ray and laboratory fees. So the poor man finds it difficult to receive proper medical care for himself and his family, because he cannot pay for it.

The middle class, about 40% of our population, with incomes of \$1600 to \$5000 also experiences many difficulties. It spends 70% of its income for essentials. The other 30% covering insurance, education, and church fees, leaves only a little amount for medical services. A considerable proportion of these people find it extremely difficult to meet unanticipated medical costs which often amount to one-fourth or one-third of their total annual incomes. As the Committee on the Costs of Medical Care reported: "The system of individual payment of medical costs is unsatisfactory for people with incomes below \$5000." This fact is of special importance when we realize that 90% of our population have incomes below \$5000. So for the benefit of 90% of the people in this country a change is needed.

Now taking a different cross-section of our population and disregarding the costs of medical care for the moment, let us see if good medical aid is available to all people.

It is amazing to discover that on January 1st, 1930

over 76% of the rural population of the United States was as yet unprovided with official local health service even approaching adequacy. Let me take a section of this country which I think is a good example of conditions existing throughout the rural districts of the United States. This section is Penobscot County in the State of Maine. This County has 92,157 people. 28,749 live in the City of Bangor. So 63,408 live in the other fifty-six towns and two cities. In other words, almost 70% of the people in Penobscot County live in rural districts. There are one hundred and six physicians in the same county and fifty-one of these are in Bangor. So while one-half of the physicians take care of 30% of the population the other one-half takes care of 70%. There are fourteen hospitals, eleven of which are in Bangor. So 70% of the people must rely on three hospitals, while 30% of the population have eleven hospitals. One last bit of statistical information to show how inadequate medical care is in the rural districts. Of the fifty-six town and three cities in Penobscot County thirty-nine towns have no doctors at all.

I have chosen this county as an example of conditions which probably appear elsewhere in every state of this country. And the reason that there is such an appalling lack of proper medical care in the rural districts is that the people cannot afford to pay doctor bills and, therefore, there is no incentive for doctors to establish practices there. Nobody can fail to see that a system providing for good medical care to the rural districts of the several states is desirable and necessary.

So far in my speech, I have tried to show you the desirability and necessity for a change in our present medical system. This change must be a practical one. I have not enough time left to present and explain the plan which would provide for a system of complete medical care available to all citizens at public expense. So my colleague, Mr. Wheeler, is going to show you our plan and will demonstrate how it will work practically and to the satisfaction of all citizens. However, I am going to show you the benefits which will come out of our plan whereby all people would get the much needed medical care.

The first benefit is: The poor and middle classes will receive the care and treatment which it cannot afford to buy. As 90% of our population falls in this category, then surely that will be a benefit which we are not receiving now under the present system of private medicine.

The second benefit is: The rural population will be aided. I have taken actual figures from one county in Maine. Similar conditions exist all over the United States. Sufficient medical service in our rural section is very much lacking. It means that 50% of our population has not even medical service available, nor can it afford to pay for it where it does exist. It can be seen that a system supplying our rural population with available medical aid will be beneficial, and under our plan the ruralite will be able to use this aid without fear of having to give the doctor the money which he finds it so hard to earn.

The third benefit is: The slum population will be

benefited. These people, because of poor living conditions, are exposed to illnesses and diseases. They cannot afford to buy proper medical attention and would be benefited by a system where medical attention is available and easily obtainable.

The fourth benefit is: The doctors themselves will be benefited. The average doctor does not earn a great deal of money. Most of them would be satisfied with a comfortable living. The medical student is faced with many years of hard struggle, before he can earn enough to support a small family. He knows that there is a surplus of physicians in the city, and for a young college graduate to establish a clientele is almost impossible. If he goes to the rural districts he is faced with the problem of giving his services to the people who cannot afford to pay for them. I feel certain that the surplus of doctors in the cities would be happy to give their services to the rural population if they knew that the government would give them a salary which would assure them a comfortable living.

The fifth benefit is: The trained nurses would have employment. There are 363,000 in the United States and 30,000 are being graduated each year. They are over-abundant in the cities. The government could send them to rural communities where they are needed, and they would be willing to go there if they were assured of a decent salary.

So in summary I wish to leave the thought with you that our present system of private medicine is not adequate. A change such as we advocate would benefit the poor and middle classes of our people, it would

reach into the slums and the rural districts to make medical care available. Doctors and nurses would be aided. A change is desirable and necessary, and in the next Affirmative speech Mr. Wheeler will present you a plan which is practical and will show you how this change can be brought about.

First Negative, Carleton Mabee
Bates College

LADIES AND GENTLEMEN: Is there a doctor in the audience?

Apparently we need one. The first speaker has given us some alarming symptoms in the medical condition of the American people. He gives you the impression that there are many poor and middle class people who do not receive adequate medical care and many rural people who do not receive adequate care. An expert diagnosis appears to be desirable, but we believe the record of the medical profession shows that it has already diagnosed the case and is treating it well.

For example, the average life span has been lengthened by fifteen years during the past century. The *World Almanac* lists the death rates for 1929 including England, France, and Germany, and the United States had a lower rate than any country in Europe. In 1927 in the United States there were one hundred and twenty-six doctors for each 100,000 persons, in England only one hundred ten, in other countries even less.

The medical profession has made great strides in the control of disease. For example, in the 1700's epi-

demics of yellow fever were common. Today yellow fever is so well controlled that no official death rate for it is published because the figures are so small. The death rate for tuberculosis has been reduced from two hundred and one in 1900 to seventy-one.

The medical profession is highly respected. Its ethics are carefully guarded and qualifications for practice are maintained at a high level.

Hugh Cabot, Dean of the Michigan Medical School, who favored state medicine until he went to Europe to see how it worked out, stated on his return that the standard of medical service in the United States is better than he found it in the five foreign countries which he visited. As a result of a special investigation made for the League of Nations, Professor Winslow of Yale says: "There are more extensive facilities for medical care in the United States today than in any other country in the world."

So if there is a doctor in the audience he may well be proud of his profession, both for the quantity and quality of the service which it renders.

Although we can not agree with Boston University on the adequacy of our medical service, I am glad that we can agree with these representatives of an institution, for whose debating we have the highest regard, on our approval of the hospitality which we have received at Kents Hill. We Bates Baptists have had fine treatment in spite of the fact that Boston University and Kents Hill have a bond of union in their Methodism.

But back to our disagreement. We can not agree with the Affirmative on the adequacy of our medical

service, but of course we do not deny that there are instances in which adequate service is not available. In so far as such conditions exist there can be only three possible reasons for them: first, adequate care is not available; second, that the care is available but the people do not bother to accept it when offered; or third, that the medical care is available but the people lack the purchasing power to buy it. It is our proposition that the Affirmative proposal does not solve any of these three.

First, the communities where adequate service is not available are few. The figures which the Affirmative have presented for the rural districts appear worse than they are. For we must take into account, as the Committee on Costs of Medical Care points out, the improvement in transportation which enables a doctor to cover a wide area, and the growth of city office practice which involves many rural people. Thus the Penobscot county folks use Bangor offices. As N. P. Colwell of the American Medical Association points out, there are only a few isolated communities that can not afford to support a doctor. In some of these few cases community hiring of a doctor may be the solution. Perhaps in some special cases the state may have to furnish medical care as an emergency measure, but this is not a reason for the state supplying medical care to its citizens.

Second, the group of people who refuse to accept medical care when it is provided. This includes cultists and the people who spend three hundred sixty millions a year for patent medicines. No doubt here at

Kents Hill, as at Bates, there are many students who do not bother when ill to go to the infirmary until they are really disabled even though the service is free. This group obviously needs more health education. The health education program of the government should be extended, but surely state medicine in general is not necessary for this. If the state supplied medical care, the citizen would not automatically become educated in the use of medical care; you cannot force people to accept a doctor's services.

Third, the group which cannot afford medical care. Accurate information on this group cannot be had, for the fact that doctors do not charge the poor the same rates as the rich makes the available figures of little value. Further, the figures never show that people actually asked for medical service and did not receive it. They simply assume that everyone tried to find a doctor when he needs one—but we know this is often not the case. If, however, a person does seek service and does really lack purchasing power, or if he is a pauper, then he receives or should receive free medical service from the town.

But if the reasoning of the Affirmative that lack of purchasing power for a necessity on the part of some people is a reason for the state supplying it to all the people, then the state should supply free food and shelter to all. After all people suffer when they lack adequate food, adequate clothing, adequate shelter, or adequate medical care. For the state to supply all these things to all the people would be state socialism. Now, I do not know your political opinions; perhaps social-

ism would be all right, but that is not the subject for debate. So it may fairly be assumed that capitalism will be continued. The solution consistent with American methods is the raising of the purchasing power of these people to provide for themselves adequate food, adequate clothing, adequate shelter and adequate medical care.

So we believe that the American medical service in general is adequate, and that in the instances in which it is inadequate the Affirmative proposal does not meet the issues. Who wants to substitute the ethics of the politician for the present high standards of the medical profession? Who supports this proposal—not the doctors, the American Medical Association opposes it; not the Committee on Costs of Medical Care which has studied the problem for several years; not the administration—though it favors old age pensions and unemployment insurance—it has studied this and turned it down. The medical profession should be allowed to continue its experiments in group practice for the good of the people, its education on health needs, its free service to the poor, its splendid record of achievement in the control of disease.

The question may be summarized as one of the functions of the government. It is, we believe, the function of government to provide the indigent, the person unable to support himself, with free food, free shelter, and free medical care, but because there are some of these is no reason why the state should provide all its citizens with free medical care. We also believe that it is the proper function of the government to have

pure food laws but not to provide food, to have fire stations but not fire insurance, and likewise to have health education, sanitary laws, and research bureaus, but not to provide free medical care to everyone.

Second Affirmative, William Wheeler
Boston University

LADIES AND GENTLEMEN: It seems that the Negative has started to criticize a system of medical service at public expense even before the Affirmative has presented their plan and told what they mean by a system of public service at public expense. In other words, the Negative are criticizing something they have not as yet heard. That appears to be inconsistent.

The representatives from Bates College have discoursed lengthily on the advantages of our system of private medicine—how private medicine has lengthened the life span. We commend the system of private medicine. Not for once do we doubt the excellent work that it has done. Nevertheless, is there any proponent of the system of private medicine who will deny it any additional advantages such as the proposed plan of the Affirmative will give? If the present system works good in good conditions, the logical answer is that it will work better in better conditions. And that is just how our plan will work. It will be as a supplement and aid to the system of private medicine. It will do the work that the present system is unable to do.

The Affirmative case rests on two contentions: (1)

that health conditions are bad since 75% of the American people are in need of medical service, and (2) that to a large measure it is due to our present system of medical service. My colleague, Mr. Cohen, has discussed these and the benefits that will be derived from our plan: (1) rural population shall have sufficient medical attention, (2) slum population with its ever-present contagious diseases can be attended, (3) underpaid doctors will be aided, (4) trained nurses will be aided, and (5) public welfare such as this problem represents will be protected by reducing the excessive medical cost to individual families.

The state already partially controls the medical field. It does so through its health department which takes charge of the care of communicable diseases, of vaccination, of the water supply and the disposal of wastes and sewage, of inspection of foods and markets, and has diagnostic laboratories for the study of disease and public health conditions. The mere fact that we of Boston University support the Affirmative side of this debate does not mean that we are radical when we advocate that the state should increase its control through legislation by making available to all citizens a system of complete medical service at public expense. I urge you, Ladies and Gentlemen, to keep in mind that the greatest benefits shall be to the rural and slum population, and to the middle class American people to whom operations and important medical service are costly. I ask you, Mr. Mabee, would you deny to any citizen the right to have medical service, because he has the misfortune not to have the money to pay

for it, or because he does not live in the vicinity where sufficient medical service is available?

Now, Ladies and Gentlemen, what is this plan that the Affirmative has to offer? Our plan is the statement of our resolution: that the several states should enact legislation providing for a system of complete medical service available to all citizens at public expense. This system shall be administered by the state Board of Medicine. Thus we already have the agency. We do not have to create a new one. Since the state Board of Medicine gives an examination to students as prospective doctors, they certainly can give a similar examination to find out if doctors are capable enough to be in the employ of the state. Also, a system of equitable remuneration for doctors in state service can be procured.

We are going to provide a system for those who need it. We of the Affirmative say that we are far from being specialists and experts, and, therefore, we leave the details, of where a hospital shall be put or which one shall be taken over, to more capable hands. We leave it to the discretion of the state Board of Medicine. If the Board feels that a rural section of their state needs a hospital with twenty beds, they shall build it. If the Board feel that they need a staff of six doctors, they shall select them.

By our plan, we do not intend to regiment the medical profession or the patients. If a patient has the doctor's fee, he can go to any doctor he sees fit. A doctor can treat any patient he wants gratis or for any fee he cares to impose that his patients will pay. Since

we are not regimenting the medical profession or the patients, we are preserving intact the personal relationship between doctor and patient. Even we on the Affirmative recognize this necessity. We are merely providing for, and making *available* to citizens, who *want* to take advantage of it, a system of complete medical service at public expense.

Our plan will be financially supported from the general income tax fund. By our income tax system, those who have the money shall proportionately contribute to its support. Certainly the income tax represents the fairest distributive method of support—and certainly, the small added individual cost is well justified by the beneficial results.

Now, Ladies and Gentlemen, our opponents from Bates have raised several objections to this plan. Raising the objections before they heard the plan has practically nullified their objections. Their first contention was that although there might be some need, and mind you, they admitted that there was some need, they could see no reason for the state supplying medical aid to all citizens. Here is where they made their mistake: they forgot that the question does not require us to “supply” medical aid to all citizens, it requires us to make such aid “available.” There is quite a difference. And we believe that you will agree with us that any need, whether emergency or not, justifies the making available of medical aid to all citizens.

Their second objection was based upon the supposition that adequate care is available but the people do not make use of it, choosing rather to go to quacks and

patent medicine manufacturers. May we point out that that care which is available now is not under discussion here this evening unless it can be shown to be completely adequate. We are concerned here this evening with making medical service *more* available than it has been, since it has not been adequate in the past. Also, may we point out that many people go to quacks and turn to patent medicines because they cannot afford regular medical or hospital care. Certainly the plan of the Affirmative offers some hope here.

Their third contention is that there are some who lack purchasing power to buy medical service, whose problem will not be met by the Affirmative case. We must insist that we did not say that some people try to get medical assistance and fail because of lack of funds. We believe with the Negative that if they apply they have a chance for aid at many of the present clinics and other philanthropic institutions. However, we also believe sincerely that there are many who never apply for aid because they think they cannot get it without ready cash. Any social worker will corroborate this. We propose to first make it available, and then we may reasonably expect that more who now feel unable will seek it.

Thus we see that they have raised objections which were primarily aimed at something the Affirmative do not propose. They have had in mind "State Socialized Medicine." We are extremely sorry, but when Bates suggested the question for discussion here tonight, they should have mentioned State Socialized Medicine. We have defended for you a system which will make com-

plete medical care *available*, as required by the question, not *compulsory*.

Second Negative, William Greenwood
Bates College

LADIES AND GENTLEMEN: Let us analyze the remedy our friends suggest for the medical illness they say exists in this country at the present time. What do they propose?

The first speaker spoke in a sentence favorably of clinics. But the plan was that we should establish a State Board of Medicine to control. There will be no regimentation of doctors. It is for those people who haven't the money to pay. As for the cost of putting this plan into operation, well, we are not to consider that.

They say that it will not be political because of this board. But who is going to hold the purse strings? No matter how we look at it, this plan must be political. The states must pass legislation to create the plans, provide for its support, and set up the administration. This requires the political maneuvering of legislators, involves the pressure of lobbies, and the ever existent evils of log-rolling. Dr. Thomas Parren, Commissioner of Health in New York State, points out that politics in many states already disrupts public health service and that no long range programs are possible. Thus we find our remedy for the medical illness a concoction of political devices. Multiply this prescription

by forty-eight and administer in large doses and you have the groundwork of the plan of the Affirmative.

The real test of a prescription is how it works. What will this one do? Weakened by a strong dose of politics, the insidious germs of graft will more easily affix themselves to the tissues of our medical system and greatly curtail its valiant efforts. In addition to this it is bound hand and foot by red tape which inevitably comes with governmental bureaucracy. Now, I'm not talking through my hat; this isn't theory—just look at typical governmental activities. The C.W.A., P.W.A., workmen's compensation laws, or school administration. How would you like your state doctor picked by Huey Long? How would you like to have necessary care for a loved one held up because some bureaucrat found a slight error in some requisition form?

If these were the only evil effects of our little prescription we might be willing to risk the dose, but a more serious malady known as group practice accompanies it. Doctors will now be working for the state, according to rules laid down by it and for salaries or remuneration fixed and provided by it. At the present time, if you have a pain in your stomach, you go to a doctor of your own choosing. You select him because you think that he is the best. You like him. He knows you, you know him. He knows your family, he knows your heredity. You have confidence in him. He knows you are a nervous person and he correctly diagnoses your case as a nervous indigestion.

Now the Affirmative argues that you will not lose the

personal relationship between the doctor and yourself. We'll see. Under their plan you go to a clinic or state doctor. There will be a crowd there. The Affirmative tells us about the big increase in the numbers of people asking for aid. It is a busy morning and the doctor is rushed. You are given a cursory examination and are brusquely dismissed as the doctor dictates to the pretty young thing in the white uniform, "Check No. 10, chronic appendicitis, advise immediate care, transfer to Department Three, next case, please." You go to Department Three and as for the appendix, out it comes. Now we are human beings, not guinea pigs and we find it distasteful being stood in line, painted with iodine and labeled—"fit for duty." The personal relationship with your doctor does mean something and you have confidence in the man of your own choice. Under this plan a new element is brought in,—the state—and the doctor now owes his allegiance to the state and not to you.

Our friends have been disarmingly general in their description of their project, but there are some administrative details we cannot overlook and would like to know about. Are they going to have a panel system from which we can choose our own doctor, or are doctors to be put on a salary basis? Now the panel system has been notorious where tried for not getting the best doctors on it, and for having the good leave for private practice after having gained experience and a reputation. On the other hand the salaried doctor is usually more proficient at wire pulling than tonsil pulling. The salaried doctor has no incentive.

He gets his pay whether the patients like him or not, whether he does a good job or not. He has no incentive to do better. No matter how few or how many cases he has, no matter how difficult or easy they are, he gets the same pay. Dr. Parsen, commissioner for New York, points out that at the present time the Public Health Service does not appeal to the best type of physicians.

Oh yes! This scheme is going to cost somebody some money. But, Mr. Wheeler says, "Don't think of the cost." No, skip the cost says the Affirmative. Now their scheme is going to cost somebody something. It's going to cost between three and five billion dollars. Most states at the present time can't even collect their existing taxes. Maine and Massachusetts are included among those states. Why three million children will not be able to attend the public schools this spring unless the federal government comes to the state's aid. If the states could tax anything else that they do not now tax, why they would already have done it for their present needs. But no, my friends would not bother about this detail. I don't blame them. They can't figure it out either. You can talk about distributing the burden all you want to, but two things you can be sure of Death and Taxes.

Now the objections that we have raised are not pure theory. European governments have been furnished medical service through somewhat similar schemes. Let us see why the Affirmative doesn't want their results. Doctors Leland and Simonds made a medical investigation abroad and their findings were published

in the *Journal of the American Medical Association*. What do we find?

In only 4 of 19 countries were the people satisfied and in all of them the doctors found causes for complaint. In Germany a top-heavy Hitler bureaucracy is trying to force naturopathy upon the people. Imagine what would happen to the people of Louisiana if Huey Long were to become a nudist. We find the people under the plan have ten times more illness than those that aren't and since the plan has been in effect the number of days of illness has tripled. In England we find the illness rate doubled in twenty years, mortality rates increased, countless cases of hasty diagnosis, discrimination and farming out of practice. After twenty years the plan is still experimental and an increasingly great number of people oppose it. In neither England nor Germany has the death rate been decreased. In Ireland they have had a doctor's strike, in Austria the scheme is a political vote-getting agency, and in Danzig doctors records show that governmental interference has simply filled the feed troughs for bureaucratic drones. Right here in this country on what limited scale we have we find Veteran's hospitalization notorious for its fraud, and workman's compensation full of graft and rackets.

Here we are asked to give up a system which has been characterized as the best in the world, one that is accomplishing results and is steadily progressing, for one that both by theory and practical experience is a failure. On the one hand we have the good record of the American medical profession; on the other the

questionable one of the politicians. We don't know how you feel about it, but for us, we prefer professional ethics to political ethics.

**First Negative Rebuttal, Carleton Mabee
Bates College**

LADIES AND GENTLEMEN: Let us review the case of the Affirmative point by point as it has been presented. Mr. Cohen dwelt for some time on the need for change. The reasons for change as he gave them were: that the lower middle class receives inadequate service; second, country districts lack adequate service; and third, the people who live in slums lack adequate service. In other words, the contention is that low income groups do not receive adequate care.

Now, of course, we do not deny that there are some instances where adequate service is not available, and may I remind you, as I pointed out before, that statistics on this point only show what service people receive and not what they need. Poorer people are likely to be less well educated on medical needs and often are not aware that they need care. The statistics do not prove that poor people do not receive service when they are aware that they need it; they simply show that the poor receive less service, which we knew before.

And may I add to this that such statistics as those of the Committee on Costs of Medical Care are based on the assumption that an illness is an illness only when you pay at least fifty cents to remedy it. Thus

a person may buy a bottle of Listerine for more than fifty cents and be classed as in need of medical service and receiving it; whereas another may use a salt solution for gargling with just as good results, and yet be classed as supposedly in need of medical service and not receiving it. And I should remind you that a person who is really unable to buy medical care, a pauper, is given free service by the government.

Also there are many group practice plans which people may enter in order to distribute the burden more evenly. There are many hospitals which have group payment plans. A person pays perhaps \$25 a year, and whether he is sick one day or one hundred days, he receives medical care from the hospital without further cost.

It only seems common sense to us that the Affirmative should show these evils which they have used as their reasons for desiring a change have been remedied in the countries where a system of state medicine has been tried. Yet we know that in Germany under their system of state medicine the cost to the laborer is fifteen per cent of his income, according to E. Lick, a German authority. In the United States it is less than five per cent for the whole family. In England the number of people bothering to register for insurance benefits is decreasing, in spite of the fact that they have to pay for them just the same.

The first speaker then named the advantages he claimed for his plan. First the poor will receive better service; and second, the rural districts will receive better service. These we have just discussed.

His third claim was that doctors are not now well paid but will be under state medicine; and fourth, the same claim for nurses. But, the state has taken over the schools, does that mean that teachers are well paid? They certainly are not. Do we want the legislature to discuss doctors' salaries the way it has teachers' salaries in the Maine legislature recently?

The second speaker told me that I had no right to criticize the plan before it was presented. I assume that the plan being discussed here this evening is the statement for debate as read by the chairman.

Then I was asked if I would admit there were any places where adequate service was not available. I spent half the time in my main speech explaining why adequate service is not always received, so it may be assumed that I admit there are some such places.

The Affirmative must show us how they will finance their plan. What can we tax that can stand an additional burden? The Affirmative must show us how, as long as the state controls the purse strings, political corruption and graft can be kept out of state medicine, for we know there is politics in every government department.

**First Affirmative Rebuttal, Samuel Cohen
Boston University**

LADIES AND GENTLEMEN: I think it would be wise to see just exactly what the change which the Affirmative suggests will amount to. We already have many first-rate clinics and hospitals which are fulfilling a

need. We already have visiting nurses associations and provision. We already have a State Board which is capable of taking over the duties which we suggest. The gentlemen of the Negative are barking up the wrong tree when they insist that we shall have to furnish new institutions and equipment for the support of our plan. We only suggested and have always defended a plan for making medical service available. This does not mean forcing every citizen to spend every night in a hospitable bed. It means, though, having a bed there in case he needs it. If there are already institutions available, it means giving aid to such institutions so that nothing will stand in the way of its use by the citizens.

The gentlemen of the Negative have spent considerable time blacklisting institutions, clinics, group practice, and the like. They seem to forget that of the private practitioners whom they favor so much most have connections with these institutions, even when controlled by that big, bad, wolf, the State. Even in large city hospitals there is a comparatively small resident staff; most of the salaried medicos being merely private practitioners who are on call. We of the Affirmative have already granted the wonderful work done by the private practitioners; we are interested in making possible an extension of their services.

The gentlemen have objected to our plan on the basis that the details will kill its effectiveness. If the clinical and institutional care, and the group practice which the gentlemen suggest, are feasible, then they can surely find no real objection to the proposed plan

in our resolution this evening. These are all features of our present medical set-up which will certainly remain, and in fact, are the models which we would use for our extension of medical care. The gentlemen agree that many municipal medical institutions are doing good work for those who cannot afford to pay. Since we are merely making medical service *available* and not *compulsory*, we see no reason why these types of institutions cannot be just as efficient in the future, especially if they are better off financially through the aid of the state. The debaters from Bates would go to a hospital for an appendicitis operation themselves now, but they imply that the fact that they were not able to pay for an operation, with our system, would allow them to die of a burst appendix. The reason would be, not that the services were not available, not that the lack of money in their hands would deprive them of the operation, not that the hospital equipment and the staff were not available, but that because some money came from the State to extend the services of the hospital, they would suffer. And remember, we have removed none of the doctors for whom they have such an attachment! Their argument was evidently intended to reduce our plan to the absurd. Instead, it performed that particular debating operation upon their own objections.

As to those countries which the gentlemen say have tried the plan of the Affirmative and found it wanting. The answer is simple: they have not used the plan of the Affirmative of making medical service *available*; they have socialized medicine. Thus the accusation

and objection of the Negative falls flat. Another dissimilarity is that we are proposing making service available by the "several states," while the plans they speak of have to do with *national* socialized medicine. The dissimilarity of plan and principle obviate the objections and comparisons of the Negative.

Second Negative Rebuttal, William Greenwood
Bates College

LADIES AND GENTLEMEN: In this debate the gentlemen of the Affirmative, have claimed that the middle class in this country lack proper medical care, yet they have been unable to point out wherein the middle class people of any other country, which uses a plan similar to that which they propose, have better health. In Europe we find the death rate higher than that in our country, and the number of illnesses ten times more prevalent among those who have state medicine than among those who haven't. Of course, it is quite obvious why the Affirmative does not wish to use the results obtained in foreign countries. They claim that Europe and the United States cannot be compared, the countries and the people being so different. Granted—but you will notice that they do not even want to compare the conditions prior to the adoption of such schemes with the conditions which exist today in Europe.

They did not dare. However, those are the very conditions which I cited to you in my main speech.

Indeed, practical experience in Europe proves their plan to be a failure.

On the other hand, Ladies and Gentlemen, we have shown you that the people in this country do not need State Medicine, but rather better education as to their needs.

Now they talked about our rural districts being without adequate medical care. We have no objection to a community plan for medical care, such as the Saskatchewan Plan, in these rural districts, but we do say that this is *no* excuse for a complete system of socialized medicine! We say let the medical profession take the lead in improving conditions as they have done in the past. Let experiments continue for group payment of hospitalization and medical care, but let it be done professionally, not politically.

Our friends have made the following objections to present American methods: To low salaries paid some physicians, to lack of proper distribution of facilities, and to lack of proper care. Now, their fundamental weakness during this whole debate has been in *assuming* that their plan will correct these evils. You have seen where other governments have attempted to furnish medical service, yet their death rates and their illness rates have not decreased, their physicians are far from satisfied, nor have the people received adequate medical care. Why should our experience be better?

Let us see what has happened when our states attempted to supply an educational service. We find that the richer cities have better schools than the iso-

lated districts. Does this state service guarantee a better distribution of facilities? Of course not, yet the Affirmative *assumed* that in the field of medicine it would make for a better distribution of facilities. We also find that the states have not been able to finance their schools and that three million pupils must be denied education this spring unless the federal government comes to their aid. If the states cannot collect enough of the existing taxes to carry on their present program, how in the world does the Affirmative expect to tax the people from three to five billion dollars more for an additional project? Not wishing to discuss it they have here again *assumed* that it can be done. Now then, one fourth of our school teachers receive less than the N.R.A. codes require for the poorest mill worker. Has the state made for higher wages to teachers? Why they can't even pay a normal rate! Yet our friends have *assumed* that physicians' salaries would be necessarily increased. All mere assumptions, no facts!

Ladies and Gentlemen, the Affirmative must justify their claim that there is a need for their proposal in view of the fact that European experience has proved their scheme a failure.

They must justify their stand in spite of the fact that they have no authorities who favor their proposition. They must justify it in spite of the fact that neither the majority nor minority report of the Committee on the Cost of Medical Care favors it, as William T. Foster, a member, states. They must justify it in spite of the fact that President Roosevelt is opposed to it.

They must further justify picking out medicine to socialize. Why stop with medicine, people die from lack of clothes and food? Why not complete socialism? Why not give the people complete purchasing power?

They must yet show us how they are going to finance this scheme, since the states cannot even support their own schools because of their inability to collect existing taxes.

They must show us how they intend to raise physicians' salaries, when experience with teachers shows the opposite result from such a scheme as theirs.

They must finally show what a complete medical service is. Are food, false teeth, bridge work, glass eyes, and wooden legs included under public expense?

Ladies and Gentlemen, the Negative in this debate favors professional ethics to political ethics any day.

Second Affirmative Rebuttal, William Wheeler Boston University

LADIES AND GENTLEMEN: A big objection that the Negative have raised to the plan of the Affirmative is that it is fertile soil for the plucking of political graft. They denounce the various governmental departments as corrupt with graft, and include our Board of Medicine. Such a sweeping condemnation is hardly justifiable or true; and I know that on second thought the gentlemen from Bates College will reconsider their statements. The fact that under our plan the state Board of Medicine will be given the power by legislation to administer such an important public service is

no premise for believing that they will not do it efficiently or honestly.

The Negative bring up the thought about hospitals already present in a locality. Ladies and Gentlemen, if there are hospitals in a given locality sufficient to take care of the needs of that locality, naturally there will be no need to erect any more, and even the Negative should give credit to a Board of Medicine for knowing that.

The Negative again broach the subject of details of our plan. They ask us: what do we mean by the word *complete* in our definition? They want to know if it includes false teeth, the caring for a patient in his home, and so on. The resolution we are debating calls for *medical service*, and as such, that will be the only item for which the state will have to pay under our plan. Concerning the other details, we again say we shall have to leave them to people, in this case, our state Board of Medicine, far more capable to decide these details than ourselves.

Mr. Greenwood contends that, according to the Committee on the Costs of Medical Welfare, the total cost of medical service for illnesses is about three and one-half billion dollars. In other words, he contends it will cost that amount to take over the entire medical service. Yet, in a glaring inconsistency, his colleague, Mr. Mabee, says that the Committee on the Costs of Medical Welfare considered as part of that three and one-half billion dollars even a purchase of a remedy for the illness costing more than fifty cents, such as a bottle of Listerine that might cost more than fifty cents.

In the first place, the three and one-half billion dollars of medical service for illnesses is sadly diminished by the fact that one-third of the illnesses listed by the Committee on the Costs of Medical Welfare are colds, for which many people seek remedy without the aid of a doctor. In the second place, the three and one-half billion dollars is further diminished by our repeated assertion that the state is not going to take over the entire medical service, but make it available where it is needed by people who cannot pay for it, or in whose vicinity there is not sufficient medical service.

Therefore, Ladies and Gentlemen, we of Boston University contend that there will be benefits to rural population, to slum population, to the middle class of citizens, to underpaid doctors, to trained nurses, and to public welfare if the several states should enact legislation providing for a system of complete medical service available to all citizens at public expense.

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MERITS OF THE NEW DEAL
*Ohio Modification of the Oregon Plan
of Debate*

MERITS OF THE NEW DEAL

DENISON UNIVERSITY AFFIRMATIVE VS. CINCINNATI UNIVERSITY NEGATIVE

Resolved: That the present tendencies toward socialized control of our economic life as exemplified in the New Deal should be condemned.

Denison University and Cincinnati climaxed seventeen years of debate rivalry with a discussion of the above statement on the evening of February 14, 1935 at Recital Hall, Denison University, Granville, Ohio. The Ohio modification of the Oregon plan of debate was used, which permits three speakers on a side, one for constructive effort, one for questioning period, and one for rebuttal or rejoinder. The questioner is allowed to discuss the questions he puts and the answers made to them which differs from the procedure in the Oregon plan.

The reader will notice a distinct colloquial flavor in the questioning periods induced by these new methods of conducting the debate.

The speeches were collected and submitted to *Intercollegiate Debates* by Professor Lionel Crocker of Denison University with the cooperation of the debaters from the University of Cincinnati and their debate director, Arthur S. Postle.

First Affirmative, Loren Souers
Denison University

LADIES AND GENTLEMEN: I am sure that we are very glad at this time to welcome the gentlemen from Cincinnati to debate on the same platform that they—or rather that somebody else representing their university

did seventeen years ago, as the Chairman, Mr. Neuschel, has told you.

We are debating a very broad subject this evening in urging condemnation of the New Deal, one in which terms are difficult of definition and the issues included many and possibly somewhat vague. For that reason let me introduce our attitude toward the question with a little story.

A Philadelphia editor heard of a mine disaster out in western Pennsylvania, and decided to send out a cub reporter after the story. All his better reporters were out on other assignments. He said, "Now you go out and get me a good story. There's a possibility of promotion." So the reporter went out and looked over the mine disaster. He went down to the mouth of the shaft, and he saw there the stark, grim reality of it all, the starvation and privation facing all the miners' wives and children. He went back to the little telegraph office and started to write his story. The editor was sitting along side the teletype as the account came in and heard the first sentence: "God sits enthroned upon the hills of western Pennsylvania this afternoon." Right away he snapped off the teletype and started to send back another message: "Drop everything. Interview God and get photographs." Well, now, that was a case of misplaced emphasis. We hope that the gentlemen from Cincinnati won't be guilty of the same thing, because we wish to avoid any misplaced emphasis on this question tonight.

It is, Resolved: That the present tendencies toward socialized control of our economic life as exemplified in

the New Deal should be condemned. And we don't mean any general tendencies starting back in the time of the anti-trust laws, or the national bank starting with Jackson and following up through to the present time. We mean the New Deal, no more and no less, just the New Deal and what tendencies it has brought out especially.

By the New Deal we refer to certain specific things. First, the A.A.A., the N.R.A., the C.W.A., and all the rest. And then again to a certain number of legislative acts that can't be designated by the alphabet, as: the abrogation of the gold payment clause in contract obligations; the Federal Securities Act; and the Federal Deposit Insurance Bill. We would leave out of the debate the Banking Reform Act as out of the New Deal, because most of it—in fact, all of it except the Bank Deposit Insurance Bill—was brought up by Senator Carter Glass during Hoover's administration, and I don't think President Roosevelt would consider that a part of the New Deal. But there are several important questions that we should like to consider before we embark on the regular debate. The first is recovery; the second is relief.

We wonder, and we seriously question, whether a sound recovery program has been launched, or rather whether sound recovery has been brought about and started. And, secondly, we doubt the feasibility of the present relief measures. We say that the best relief for unemployment is a job. And by a "job" we do not refer to the kind of hand-out that comes from C.W.A.

and P.W.A. We mean the kind of jobs that come in the steps of a sound recovery.

I should like to outline our general case, then. We believe first that the New Deal is fatal to finance, business, and agriculture; second, that it has certain inherent defects; and third, that it will effect certain permanent evils, such as, the unbalancing effect upon the budget, money manipulations, the labor policies, the dole system, and the fostering of monopolies.

Now, let us approach it from the financial, the industrial, and the agricultural angles.

As to financial policies in the New Deal. The first important one, possibly, should be the great debt which it has run up. Embarking upon a great splurge of spending, New Dealers thought that they could bring about recovery. We are now somewhere over thirty billion dollars in the hole—we don't know exactly how much; the figures vary. This is what Mr. H. L. Mencken, in the *American Mercury* of November, 1933, said: "Who is to speak for this new doctrine that every freeborn American deserves his whack at the public treasury? The bills will go to the same old address—John Smith, taxpayer—and he'll find them as always in his morning mail." That is what every really thinking American citizen is facing today—the bills for this over-thirty billion dollar debt. And he wonders how they are going to be met.

Well, they can be faced in several ways: repudiation, inflation, or increased taxation. We doubt even that New Dealers would think that repudiation was the proper way of dealing with them. As to inflation, we

have got that already—to the extent of forty per cent of our gold dollars. Increased taxation would have to be on business, either in the way of income or sales taxes. The government realizes that that would be a definite detriment to recovery. Will Rogers says of this, “By the time we get the deck shuffled for the new deal we won’t have any chips left.” And that pretty well sums up the situation. As to inflation, the possibilities are becoming greater and greater every day that inflation will come. The government on one hand says, “Business—big business—should not water its stock.” And they try to control that through their federal Securities Act. And then on the other hand, the government says, “We will water our own stock in the way of bonds and money by cutting it down forty per cent.” In other words, they are telling business they can’t do it, but they say, “What we do you have just got to accept. It is the government’s job, not yours.”

Now, as to industry: The first thing in the industrial effects of the New Deal would be section 7-a of the National Industrial Recovery Act—collective bargaining. We don’t believe that this section 7-a has fulfilled its promises. Business all along hasn’t agreed that it has fulfilled its promises, and business men in defending that view might point, for instance, to the great drop in steel production last summer, when, fearing a strike, business men who needed steel for their own production bought it up ahead of time and then there wasn’t any steel production during the summer. Now what about labor? Just this week both William Green, President of the American Federation of Labor, and the President

of the United Mine Workers of America, came out with the statement that section 7-a must be changed. And December 8, 1934, Roger M. Baldwin, President of the American Civil Liberties Union said that the New Deal had failed to fulfill its promises to labor. Speaking before a conference of sixteen organizations studying civil liberties under the New Deal he contended, "Government agencies have not acted to make good their promises implied in the law of genuine collective bargaining."

Now, what about the tendencies toward trusts and combinations and monopolies? The N.R.A. has certainly fostered this to a certain extent. This is brought out by Virgil Jordan, former editor of *Business Week*, when he said in the Economic Forum for the summer of 1933:—"Small scale producers in the consumer field who cater to local markets do not view all this so enthusiastically (speaking of the N.R.A.) because they are the competitors whose throats are to be cut by the concerted action of business."

And prices have risen. This rise in prices is pointed out by the New Dealers as something that we should consider a trend toward recovery. But is it? Wages and salaries always lag behind prices, and if wages and salaries of your father and my father are lower, and do not rise along with prices, then our standard of living is lower than it was before. This was pointed out by Dr. William F. Ogburn, formerly a member of the Consumers' Advisory Board of the N.R.A. when he resigned from that Board:—"Unless steps are taken to safeguard consumers against rising prices a grave situ-

ation threatens." He went on to say:—"We are headed in the direction of eliminating many competitive factors. The dangers are in higher prices both for businesses which buy and for the owner and consumer. Also, the danger of more prolonged business crisis."

And now what about agriculture? The New Deal embarked in the A.A.A. upon a program of destroying wealth in the form of crops, cattle, and hogs, and limiting farm production in the future. That was an attempt to raise prices and give the farmer a break. But did it? He was given a processing tax to take care of some of this. He was given increased prices on industrially produced commodities. He was given inflated dollars with which to buy these commodities. In other words, the farmer was not much better off than originally. More than that, this destruction was based upon the idea that we are now in an economy of plenty instead of scarcity. Robert R. Donne, a New Dealer, and one of the supervisors of the A.A.A. says this himself, and he is borne out by the Brookings Institute in its book on the A.A.A. and the effects of the New Deal. Dr. Glenn R. Frank, President of the University of Wisconsin says:—"More goods at lower prices, not fewer goods at higher prices, is the logical goal. That way lies a permanent and perilous lowering of living standards."

And so we find that in the ultimate analysis the standard of living of the farmer has been lowered and the standard of living of the working man has been lowered, and dangerous and insidious financial policies

have been embarked upon. Therefore, we say that the New Deal as it has worked out should be condemned.

First Negative, Marvin Felheim
University of Cincinnati

LADIES AND GENTLEMEN: First of all, on behalf of myself and my colleagues of the University of Cincinnati we would like to thank you for your kind reception to us in Denison. We were here last week, and we are back again. We are very happy to be here, because the environment is so congenial. We would like to base our arguments upon the outline as presented to you by the Affirmative tonight. Their basis of argument was, first of all, that the New Deal has failed; secondly, that it has inherent defects; and thirdly, that it will provide permanent evils in our system.

We believe that the first two can be coupled into one, and the only way of examining these is to look at conditions as they are today.

First of all, to do this we must go back a bit to the period before the New Deal came into effect, and we must examine conditions as they were. There is no need for me to point out to you the terrible situation that existed before the present administration came into existence. There is no need for me to tell you about the dire hardships that were suffered—women and children suffered starvation on our streets, men willing to work unable to secure jobs. Therefore, the evils which existed and which the New Deal attempted to remedy were: unemployment, the distribution of

wealth and big power, cut-throat competition, world tariff markets, sweatshops and other social and economic reforms.

At this point I would like to say that we are sorry that the affirmative has overlooked the question of social benefits which have come about through the New Deal. None of us can deny that the abolishment of child labor, the outlawry of sweatshops, slum clearance, shorter hours and minimum wages, unemployment insurance, old age pensions, and public works are definitely indications of the great social benefits which have been planned by the present administration. Benefits which all of us recognize as necessary to our country, but which our government has not seen fit until the New Deal came into effect to remedy. In the first place, when we consider the problem of unemployment from the Department of Labor Bulletin, we see that almost two hundred thousand men have been put back to work since the period of before the New Deal. At the same time, and during the same period pay-rolls increased eleven million dollars. Sweatshops in the State of New York alone have been outlawed to the extent of ten thousand firms, who have had, through the New Deal, to comply with regulations as established by the industries themselves, and which have outlawed their terrible evil in our system.

Now, in examining the distribution of wealth, we would like you to think of your economic conditions as running along a parallel line. What is it the New Deal attempts to do? A thing we believe it has been successful in doing is to reduce from the top the exorbi-

tant profits which were made in the period of individualism and laissez-faire before the New Deal went into effect—exorbitant profits which were rolled up by one or two or a few individuals at the sacrifice of society at large. Now these enormous profits have been cut down from the top, and at the same time from the bottom. The wage level has been cut up so our economic life can run along at a parallel. At the same time, allowing sufficient room for individual initiative to make and secure profits. No one can deny, I think, the increased productivity which resulted from the New Deal effects, and if we were to examine the farmer and his situation we come to the conclusion that the farmer has distinctly benefited through the provision of the New Deal; not only the A.A.A. but the Mortgage Relief and the Conservation of Parks of the New Deal have attempted to relieve the farm problem. There is no doubt that farmers around Denison and communities in Kentucky where they raise tobacco have been greatly benefited by the rising process of the A.A.A. and the Farm Mortgage Relief, which enabled farmers to retain their homesteads.

Another point which our opponents failed to include in their conception of the New Deal was the foreign trade policy. Through the New Deal our President, through the manipulation of the tariff, has been able to increase our foreign trade market to such an extent that the effects of it have reverberated here in this country and our own industrial recovery has been greatly aided.

Now, as for the permanent evils which they feel that the New Deal will include in our government. First

of all, to examine the question which states the tendency toward government control of social and economic law. There are two considerations which we must make. First of all, is there a tendency toward government control, and second, is this tendency in the right direction? We believe that there is a tendency toward government control, and despite the fact that our opponents say that we must not go back to the period of Jackson or the period of the anti-trust laws, etc., we must have this historical background a bit for the presentation of the problem. In the first place, we believe that it is an inevitable tendency on the part of the government to interfere in big business. It has been an inevitable tendency, a tendency present in our government today and throughout the world, and we must recognize it as such. There is no need in looking facts in the face and then distorting them. Secondly, we feel that not only has the government interfered in business, but this has been a necessity in our situation. The evils of the condition as before the New Deal went into effect have been presented to you, and we feel that they needed action that was strong enough to guarantee the government a position of finally making our recovery. Then, we feel that this government regulation in business allows a flexibility which is most of all to be desired. If we examine this tendency and the question, "Is this tendency in the right direction?" we feel assured that it is. Because a tendency and a condition such as in the N.R.A. allows for a flexibility in our government. In other words, they don't say to you, "here is a policy; accept it as it regards all problems."

Rather, than that, they outline a plan which allows for a direction in a certain permanent aim, but at the same time allows enough flexibility within its confines to meet problems as they arise. In other words, coming back to our parallel, the New Deal doesn't say that depressions can be outlawed entirely, but it does believe that through this planned economy that exists along a parallel such as we have presented, there will be allowed for in the future certain tendencies in our economic and social life that can be thwarted; that can be met in advance, and will prevent us from entering conditions as before the New Deal. In other words, the New Deal program, outlining as it does in its broadest expanse and including such features of our social and economic life, presents a plan that is flexible and at the same time specific and static enough to solve all problems as they come, and solve them in a manner which not only is in accord with its conditions, but also helps to solve them as they come and to meet things in the order in which they come to us. We would like to mention here that among the social benefits of the N.R.A. is the elimination of class distinctions. In other words, the N.R.A., being perfectly American in its ideals and aspirations, has said that all American people are equal before the N.R.A.; that no class be put in a position of slavery that had existed before the N.R.A. went into effect. Men and women are not allowed to labor any more for a mere six or seven dollars a week. In all of its effects, indeed, the N.R.A. is typically American in what it does and what it wants to do. It has not removed from our country, from our system,

all of the things which we cherish in our country, and which we hold to be the basis of our great democracy. It has not changed things, merely, it has been a system whereby the various plans and effects of our social and economic system have been so coordinated that they can be run now along a planned system leading us eventually to a planned economy which will control and run our economic and social life. Therefore, because the N.R.A. has proved a success, and is proving a success, and because it provides a permanent plan along which to follow in our economic and social life, and finally because it retains and respects all those traditions and customs which we hold most cherished in our American system, we believe that the N.R.A. definitely should not be condemned, and is a policy which will lead us to improved conditions, economically and socially.

**Negative Question Period, William Schwertsfeger
University of Cincinnati**

LADIES AND GENTLEMEN: Mr. Souers has rightly pointed out that our emphasis should be directed on the proper point, and I think he is quite correct. We are debating tonight the question of a tendency of government control of economic and social life. We of the negative have pointed out decidedly what the tendencies in the New Deal are. Now the question is: what do our opponents, the Affirmative, believe to be present tendencies of government control, if any? And since, in the Oregon style of debate, my privilege is to cross-

question the opposing members, I should like to ask the gentlemen of the Affirmative, just what they would do in attempting to accomplish recovery?

Answer. Why, we have a rather definite method—a three point plan. The first thing that we would do would be to establish a definite monetary plan instead of threatening inflation one day and five minutes later turning around to the business man and saying, “Careful, boys, we won’t give you inflation.”

Our next set-up would be to revive business, because we feel that in 1929 we had a ninety-billion income, and now we have forty-five billions, and by doling out four billions.

And our last plan would be that we are for many of these social reforms you have, because they are necessary; but we believe in putting the country back on a basis where they could pay for them.

Question. First you want a definite monetary policy. Well, that is rather vague. We have a definite monetary policy. What do you mean by definite monetary policy?

Answer. It would be to establish in a working way exactly what our dollar will rate on the world market, and to keep this dollar established there and keep it there according to contract that business offers to its business and to its people and not to change it arbitrarily without consent. Any figure would be definite as long as it has consent.

Question. You would say the monetary dollar is not definite enough?

Answer. It is not definite for any long time period, and capital goods depend upon long-time operation.

Question. I would like to say that we have set very definitely, so far as not only our domestic trade is concerned, but so far as the foreign trade is concerned, the amount of gold in the dollar. It is set there, and it hasn't been changed from day to day. It meets a new situation, which has arisen as a world problem. And that world problem has to be met by a revaluation of the dollar, or we would have lost to a greater extent our foreign trade. Our trade has increased quite extensively from last year, and we think that the revaluation of the dollar was one of the vital points in that, and the point by the Affirmative is not substantiated. We are not proposing a fluctuating scheme. It has been changed once to meet a new situation, and that was entirely justified, and we are going on with a new plan from that. Will you please repeat the second point of your revised program? You wanted recovery? Is that right? (*Yes*).* An extension of credit to business. That is just exactly what the Reconstruction Finance Corporation has been doing. Now, it is easy for the Affirmative to do what it has been doing. It is easy to say that you want to bring back recovery. Anybody can say that, but that doesn't mean anything. The Reconstruction Finance Corporation for many years, not only under the present regime, but even before that, we have had an extension of credit to business, and that extension has proved by no means to have entirely accomplished the business of recovery. That is a vital

* Material included in parenthesis is the answer of Opponents.

and complex problem which our opponents can say very easily is to be accomplished by extending credit to industry. The New Deal is doing that very definitely through not only the Reconstruction Finance Corporation, but through mortgage. That policy, I think, is entirely integral through the New Deal. It is something that the New Deal has proved as not going to entirely achieve recovery. We need the other phases of the New Deal, and when our opponents say that they are going to achieve recovery by extending credit to business, we can at once see the fallacy and inadequacy of such a proposal.

The third point—"we should have recovery on the basis of stabilized monetary value, so we won't be kidding the business man." It is quite easy to say that. A stabilized monetary system is something highly to be desired, and I think that the New Deal has achieved that. And when they are saying that the New Deal and the credit administration is fluctuating from day to day—one day from a proposal of inflation, and the next deflation—I think they are assuming entirely too much. And when they say that they are going to accomplish some sort of stabilized monetary policy—and that means, "bring back prosperity"—, they are assuming too much. They are forgetting the complex world. Today our problems are not so simple. They cannot say, "these three simple proposals give recovery." One of them, incidentally, is part of the New Deal—extending credit to business. And I think that sloughing off the problem by such a simple statement of three means of achieving what the New Deal has

partly achieved already is entirely too simple. The New Deal is a complex thing, we grant; but so is our economic and social life, and we can't just say, "well, here are three things to do the trick." It is more complex. You can't just by saying something simple of that sort achieve the goal.

Now, I'd like to ask a list of questions of the Affirmative, and I'd appreciate it very much if you would answer yes or no.

Do you believe in the abolition of child labor? (*Yes*). In the abolition of the sweatshops? (*Yes*). In the regulation of the sales securities? (*No*). You think that the corporations on the New York stock exchange should be allowed all the privileges they desire in selling their stock to the poor lambs who are fleeced so freely? (*No, they are not to be allowed all the privilege they desire, and they never were. Certain rules are very fair and regular*). But the point is, that many people didn't make a profit. (*That is when they kicked*). Exactly, that is when they kicked; and that is when the New Deal put in its plan for the regulation of the sales security. I think that such a proposal was necessary. And as the Affirmative pointed out, they were kicking about it and needed security regulations. Our opponents don't concede that point, but I think their own answer to a later question will prove it.

Do you believe in old-age pensions? (*Yes*). Unemployment insurance? (*Depends on your plan*). Well, that is a vague answer. I hope by this time the audience realizes the Affirmative is pretty much in the air about the complex system. Do you believe in slum

clearance? (*Yes*). In lower tariffs? (*Hardly*). A vague answer again. In conservation of forests and the prevention of soil erosion? (*Yes*). Do you believe in relief to suffering people? (*Yes*). I am glad you concede that point. How would you accomplish it? You have condemned the relief that the New Deal has put into effect. How would you accomplish it—Mr. Wooten? (*We would give a man the chance to make an honest dollar by labor, and not a dole*). Again an answer it is easy to give. But we are not dealing with a philosophical discussion. We have people who need food, and you can't give them food by saying they ought to have a job instead of a dole.

Now the list of questions which unfortunately I can't complete because my time is running short, has proven that the members of the Affirmative team are in accord with many measures of the New Deal. Abolition of the sweatshops, child labor, and so on, and those things prove that a great many policies of the New Deal are recognized by the Affirmative.

Affirmative Question Period, Jim Wooten Denison University

LADIES AND GENTLEMEN: The first speaker of the Negative team says, "Let us look facts in the face." Well, hello, facts! Here we go!

Now, you asked us a series of questions about various and sundry social reforms. Is that right? Well, suppose we grant that these tendencies are good, that we should adopt them. That would suit you fine,

wouldn't it? Well, the question that we are debating this evening is tendencies exemplified in the New Deal. Now, you talk to me about facts, and figures, and vague answers. Well, now, it is one thing for me to take this book and call it a roller skate and let it go at that. And it is one thing for the New Deal to say, "we are going to eliminate unemployment," and another for it to do it. But to get to the core of it, we must debate as these tendencies are exemplified in the New Deal, because words mean nothing. Facts count! Yes or no?

You ask me, "do you believe in the government's monetary policy?" Yes. Do you believe in it? (*Absolutely*). Fair enough. Definite. Now before I go on with the government's monetary policy, I understand from you that we have a definite basis for the dollar now; that it has a definite price. (*Yes*). Now, if that is so, and I haven't granted yet that it is so, I would like to ask you another question along a different line. You questioned us about the Securities Act, and the speculation in Wall Street. Right? (*Yes*). Well, now why were you against the operations of Wall Street originally? Because they were gambling? (*Well, because the investors were not secure*). I see, they were not secure because the men were gambling with the peoples' money. Is that right? (*Well, the people didn't have the facts*). Now, we have here Mr. Morgenthau. We have in Wall Street all of the boys, Morgenthau, and so forth, but now I have before you Mr. Morgenthau. Now, he is outside of this Securities Act, isn't he? He is the Treasurer of the United

States, isn't he? (*He is the Secretary of the Treasury*). As Secretary of the Treasury he takes millions of America's money and every day gambles in the world's money market, doesn't he? (*I wouldn't say that he gambles. He has nothing to do with the food*). I am talking about where he buys in the money market. He will raise the price on the American dollar, and tomorrow he lowers the price. Did you know that? (*I do not!*). Incidentally, he does. And he calls that stabilizing the gold dollar.

But let's eliminate these minor things to a certain degree. Now, the first speaker says that the improper distribution of our wealth and income before the event of the N.R.A. was one of the causes of our unemployment. In other words, we were making the rich richer, and the poor poorer. Now, let me read a little article, *Profits under the New Deal*, by George Soule. Here is what happened in 1933. "Those reporting incomes of more than \$25,000 increased by 1053. Those reporting incomes of less than \$25,000 decreased by 1350." Now, does it sound logical that if we had improper distribution before, that by taking money from the poor—those under \$25,000—and giving it to the richer, that we have corrected an evil. This is by George Soule from the *Bureau of Internal Revenue on the Income Tax Distribution of 1933*.

Now, we have here another point, and that point is on the business cycle. Do you think that the majority of our present evils are due to the much talked of and so-called business cycle? (*Well, to a certain degree there are many of them*). Now, I want to ask you:

Have the many reforms that the New Deal has initiated eliminated the business cycle? (*Certainly nothing you proposed is going to eliminate it*). All right, but we are debating the New Deal, and I am just a poor boy trying to get along. Here is what I want to know. Do you think the New Deal has eliminated the business cycle? (*It is ameliorating it*). As long as we have capitalism we will have the business cycle? (*Yes*). And yet, the business cycle under capitalism was one of the chief reasons for our present troubles. You have granted that. Now, the New Deal has still kept capitalism. All right, then this is all of no use unless the New Deal is bringing in socialism in its rottenest form. We will still have the same troubles. And these billions of dollars are just a waste of money. But, anyway, have the prices raised under the New Deal? (*Yes*). Is this contradictory, "That the New Deal is going to benefit labor by giving shorter hours and increased pay," and that with their other hand they raise prices to a level higher in comparison than they raised dollar levels. Is that a contradiction? (*No*). Can you disprove it?

Now, we have in conclusion outlined here about fifteen or twenty points. We were told that in 1929 or 1931 or 1932 or 1933 that we had horrible conditions. Just one question: Which is better, for business or banks—to lose money in the attempt to make money and not be able to pay, or for the government to be placed in the same position and not pay? Now, this parallel happened in 1932; the banks were closing because they couldn't pay; the government brought in

the repudiation of the gold contract laws because they wouldn't pay. Now, I don't know whether we are any better or worse, because I am just a poor student. In your set-up I would say that we are not interested in what your laws are about the dollar. When Henry Ford says, "Until business can have definite assurance of the stable dollar and not a fluctuating dollar and inflation threatened at every hand, it cannot recover," Ford is probably more authority than I am. I would grant him that. Do you want a Democrat? Newton D. Baker, in his examination of the T.V.A. project said the T.V.A. in its entirety was un-American, and that it was striking at the very roots and foundations of our nation, and if you want that article look in the *Literary Digest*, the second week in November.

And with these facts before us, I think we only have one alternative, and that is to conclude, as long as we are debating the tendencies exemplified in the New Deal, we can certainly say that those tendencies as they are exemplified are detrimental.

Negative Rebuttal, William Rhame
University of Cincinnati

LADIES AND GENTLEMEN: If you detect a certain attitude of contentment on the part of the team from Cincinnati it is due to a most substantial and excellent meal that we enjoyed at the Granville Inn through the courtesy of your director of speech, Dr. Crocker; and during the course of that excellent meal he told us a most interesting story about the Quartet that played

here last night. He said that it was a little over his head, but he surely liked the way they went after those instruments.

That is the way I felt about Mr. Wooten's speech. It was a little over my head. Now, we have a lot of things to consider here this evening. This subject has such wide ramifications throughout all the business world and government activity which the country has certainly gotten into of late, and it so happens that we can only take up a few of the details. One of the most important that have been taken up happens to be this financial policy—the monetary policy of the government, the gold clause, the reduction of the gold behind the dollar. Well, to play along—I haven't had much economics, but this is what happened: prices went down about forty per cent since the beginning of the depression. Now, when prices go down that means the dollar is worth just that much more. Every notch the prices go down, the dollar is worth that much more, because prices being down it can buy that much more. Now, when prices go down forty per cent, that means the dollar is over-valued forty per cent, and when the dollar is over-valued forty per cent there is a terrific maladjustment in the economic system. And in that situation the government stepped in and corrected it. It lowered the gold content behind the dollar by forty per cent. It didn't rob the people; it didn't suck the blood of the people; it didn't gamble with the people's money; it merely recognized what had already happened. It legalized a fact. Now, I hope that we aren't getting into any too deep economics, but that is the

situation, and we shouldn't be lead astray by some of the ramifications that it may seem to have in robbing many of the people of their money.

Another little discussion which I think lead to a contradiction on the part of the opposing team: they said that the N.R.A. was leading to distribution of wealth which gave more to the richer and less to the poorer. and then in the next breath they said that the New Deal had to be paid for by the taxpayer. Now, what do you mean, it has to be paid for by the taxpayer? I suppose we think of Dad, and one Sunday afternoon writing out a whole list of forms and his being in a pretty bad humor for about a week. Now, did you think of your Dad being a taxpayer? And yet your Dad is a taxpayer only in proportion as he is rich. The richer he is the more he pays. There is a policy of "soak the rich" in taxation these days, and every tax—I will forego the sales tax—is what is called a progressive tax. The richer you are, the more money you have, the more you pay. And if we are going to have taxes to pay for this New Deal it is going to be the rich who will pay it. The richer they are the more they will pay. Where does this money go? It goes into the C.W.A. and F.E.R.A., etc. Who benefits by this? The poor students, the unemployed. There is a redistribution of wealth. Now, another thing we got into. I wish we could steer clear of economics, but my opponents have said that the New Deal is a bad thing because wages always follow prices, prices are going up, and wages aren't going up so fast. It is lowering the standard of living, doggone it! There is just this to be said, that

every time we have gotten out of a depression or any other country has done so, it is because the prices have started up and wages are dragged along.

Now, my opponents have been very quick to point out to you that prices have been starting up, and that the poor wage earner isn't earning so much. But nevertheless, that mere admission is an indicator of recovery. The very first instance that we happen to see prices rising due to a sound business, then and then only, we have recovery. And just because wages lag behind doesn't mean that anybody is suffering. Labor is much better off under rising prices. Maybe their standard of living is temporarily lowered, but there are more people working. Now, my opponents have attempted to throw up before you a smoke screen of details, some administrative difficulties which we from Cincinnati admit. We don't think the New Deal is entirely good. We admit the wrong things. Now, among these things my opponents pointed out that the New Deal was an advocate of a scarcity economy; or rather, that that existed under it. They believe in a surplus economy. It seems to me that it is one of the healthiest signs in any government. F. L. Sterne said about two months ago that the New Deal had recognized its errors, and was changing its ways. It was changing from scarcity economy to surplus economy. We believe that is a substantial benefit. My colleague has pointed out other flexibilities of the New Deal. It has, by necessity, to work by the trial and error method, and yet eventually by rectifying its mistakes it will correct them. Now, I seem to be showing off a lot of things

that I happened to be taking in school; I had a course in dialectics a little while ago. Dialectics teaches that you have something that is a thesis, and then you have something that is an anti-thesis, and you try to cooperate on a synthesis. Now, we from Cincinnati believe that the old rugged individualism, private initiative, and things we suffered under during the crash of '29 were the thesis. Now, the anti-thesis is communism, fascism, socialism—these things which are odious to all of us who are red-blooded Americans. Then, if we don't want the old thesis which has been proved outworn, proved to be a thing which simply won't work, then we don't want this anti-thesis which we certainly don't believe in, being Americans. And I understand that Denison is rather a rock-ribbed constitutional democratic institution; so then we want to continue on this synthesis. We believe we have the solution, drawing from each side the benefits of both, and cooperating on a synthesis—the New Deal, which we believe will solve problems which do come up in governmental activities.

Affirmative Rebuttal, Kenneth Maxwell
Denison University

LADIES AND GENTLEMEN: First of all, may I restate the question, as our opponents seem to have forgotten it once in a while. *Resolved: That the tendencies toward governmental control of our economic and social life as exemplified in the New Deal should be condemned.*

Mr. Schwertsfeger, you will remember that it is not tendencies that we are debating alone, but tendencies as exemplified right in the New Deal. And, Mr. Rhame, you will remember that we are debating not the New Deal of tomorrow, but the New Deal as we see it now. And the last thing I wish to emphasize is this: "Resolved that the New Deal should be condemned"; and the question says nothing about setting something up in its place. That is the question we are debating tonight. It is up to you to decide whether the New Deal should be condemned or not. Mr. Felheim, you said that the foreign markets had increased. Statistics show that this is not a fact. Just as one example, cotton in 1934 dropped in the world market. This is just one example. And then, Mr. Schwertsfeger, you asked us several questions, and about the only thing that you did during the course of your time on the platform was to ask us what sort of plan we would put up. And then you knocked that plan of ours down, or tried to. So, I might say that you did very little in a constructive way toward adding to what had been said by Mr. Felheim. Mr. Felheim tried to show that the New Deal had improved conditions. However, I think Mr. Souers rather conclusively showed that the New Deal has been inadequate, and has not brought about recovery. And I think it is a self-evident fact that today we are not living in prosperity by any means.

Then, Mr. Rhame, in conclusion, you spoke of the fact that all of these taxes were coming from the rich. I think it is a fact that it is the poor man who always

pays the taxes. You remember, about two years ago when it came out in the paper that Mr. Morgan was bragging that he had cheated the United States out of over one million dollars? And any acquaintance with legality will show us there are many ways of avoiding taxes for the man with money.

Once more, you said rising prices were an indication of better conditions. But you went on to say that the government had been regulating these prices. So you can't take this rise in prices as a normal activity of the price schedule. You see, it is something false, manipulated, and there it is raised up and cannot be used as a true indication of conditions.

Now for our own case. If I can present to you what Mr. Souers and Mr. Wooten have said, and show you that it is stronger than what was presented by our opponents, your own good judgment will tell you to condemn the New Deal. In the first place, I would like to say I wonder which New Deal we are debating, for we read in a little newspaper clipping of yesterday, that the New Deal is going to be reorganized once more, and that June 15th General Robert E. Wood is going to be appointed administrator of the new, new, New Deal (well, enough news!). I might say that this in itself is somewhat of an admission that the New Deal has been failing from time to time, and so we take this as an indication that everything is not satisfactory to the administration at the present time; therefore, they are reorganizing. Now, to get down to the heart of things.

The New Deal—is it a New Deal?—. Well, accord-

ing to H. Parker Willis, the New Deal is politically speaking "the old deal written large." And we say that the New Deal economically speaking is the old deal written large. For what has the New Deal done to change the capitalistic system in which we are living? Has it eliminated those things in the capitalistic system which caused the business cycle? Has it done anything to eliminate the great inequality of wealth? Anything to destroy the evils presented by technological unemployment? I think Mr. Wooten showed rather conclusively that the New Deal has done nothing to eliminate these evils of the capitalistic system, and Mr. Rhame of Cincinnati admitted that we were still existing under the capitalistic system, of which these things are inherent parts. I think you will see that this is not getting down to fundamentals. This New Deal is just pretty much on the surface. And as Mr. Souers showed you, working on the surface, it is not successful. And that is the thing that the Cincinnati men have been trying to show us—that the New Deal has been successful, working on the surface. We say, not only has it not been completely successful on the surface, but down in these fundamental causes the New Deal has done nothing. In conclusion, may I present to you this little figure.

The United States, of which we are all a part, is a very sick patient. This patient is sick of a fever. Dr. Roosevelt and his staff have come to the aid of this patient. Dr. Roosevelt and his brain busters—er, trusters—have come and tried to analyze the thing. And what have they done? They have seen the patient

lying here with a fever, and on the surface there is a rash. You know how fever sometimes breaks out in a rash. Well, we might compare this depression to the rash which has broken out on the patient, and here is this patient—the United States—with a rash. So what does Dr. Roosevelt do? Immediately he and his staff begin to treat this rash. And with several different kinds of ointments and powders—and some of them are very smooth, especially on the tongue—and this patient is being treated for a rash, when the real trouble is down underneath. The trouble is a fever. As Mr. Wooten showed you, the business cycle, inequality of wealth, and many other fundamentals which the New Deal does not touch—these are the fever. The patient can't get well if you just treat the rash. You have got to treat the fever. And now one more word about the rash treatment. Treating this rash on the surface they are doing it in such a way that when the patient is cured of the fever—we hope he doesn't die—, nasty scars will remain. May I just name them: first of all, there is a \$37,000,000,000 debt, approximately, at the present time; there is a changed dollar, under which inflation may come with all of its dangers; in the third place, the working men today no longer want a job—you know that. The working men of the streets today want a living handed to them on a silver spoon at seventy-five cents an hour. No longer does he wish to go out and labor for thirty or forty cents an hour. The fourth thing is that strikes have been incited by the New Deal. Their labor policies have worked evilly insofar as labor is concerned. In the fifth place,

the New Deal has fostered monopolies, and you know that our nation since 1890 has been fighting monopolies. And now the New Deal says, "all right, monopolize ahead!" The New Deal is treating the little rash on the patient's face, and after the fever has gone the New Deal under Dr. Roosevelt and his staff will find that scars will remain on the patient.

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COLLECTIVE BARGAINING

*A Tournament Debate of the
Western Conference*

COLLECTIVE BARGAINING

NORTHWESTERN UNIVERSITY AFFIRMATIVE VS. UNIVERSITY OF ILLINOIS NEGATIVE

The Western Conference held its second annual tournament meeting at Northwestern University, Evanston, Illinois. The tournament is decided upon a percentage basis and not by the elimination process as in many other tournaments.

The debate given here is the one held between the two leaders in the meet, and was won by the University of Illinois Negative. The critic type of decision was used, the judge being, Professor C. Emory Glander of Ohio State University.

The exact statement of the question at issue was, *Resolved: That all collective bargaining should be negotiated through non-company unions safe-guarded by law.*

The debate was taken by a stenographer and corrected later by the debaters. It was submitted to *Intercollegiate Debates* through the courtesy of Professor C. C. Cunningham of Northwestern University, and the debate directors of the two teams cooperating. They were: Mr. George Beauchamp of Northwestern University, and Mr. A. D. Huston of Illinois University.

First Affirmative, Douglas Ehninger Northwestern University

LADIES AND GENTLEMEN: As the Chairman has just told you, we are discussing this morning with the gentlemen from Illinois some recent developments which have taken place in the field of labor organization. There is not one of us who does not realize that these are times of change—of deep and fundamental change.

Almost every morning we pick up our newspapers and read that in some way the powers of the New Deal have been re-aligned and re-arranged.

Now, it is wise in periods of change to stop and ask ourselves various questions. For instance, just what is happening to the important economic factor of labor?

We all know that a great deal of well-being for our country is dependent upon the working man. Will he be able to adjust himself to new conditions that are going to result? Will he be able to protect his rights and further his interests under new circumstances? How is he going to be assured that in the future there will exist a system of fair and equal bargaining power by which he can protect his rights and further his interests?

In an effort to answer some of these questions which look toward the future, and in an effort to present a solution for labor's present difficulties, the Affirmative this morning presents the proposition, *Resolved: That all collective bargaining should be negotiated through non-company unions safeguarded by law.*

Before we go any further, let us pause a moment and find out just what this proposition means when it is reduced to plain English. A non-company union, according to Chester Wright, the industrial economist, is an organization of employees who have affiliations outside of the immediate plant in which they work.

Now, it is important to remember that this type of organization may follow one of two forms. It may be either a craft union or a federal union. If it is a craft

union, all of the steamfitters in the plant belong to their national organization; all of the electricians belong to their organization, and all of the machine-tenders belong to their organization. But if it is a federal or federated union, all of the workers in the plant belong to one common organization, and then this organization has outside representations or affiliations. These affiliations are today most often with the American Federation of Labor.

In contrast with this non-company union, we have the company union, an organization of employees who do not have any affiliations outside of the immediate plant in which they work. In other words, the proposition which we are debating this morning merely says this, that all collective bargaining, that is, all negotiations between workers and employers regarding the important questions of wages, hours, and conditions of employment shall be carried on through non-company national unions safeguarded by law.

What do we have to do to safeguard a union by law? Obviously there are two things. First, that union must be protected from without. Its right to exist must be guaranteed. The right of workers to join it if they wish to, or to refrain from joining if they do not want to join the union, must be guaranteed. Second, the union must be protected from within against graft, corruption, and employer domination.

There are three reasons why we of the Affirmative believe that all collective bargaining should be negotiated through these non-company unions. They may be stated in this fashion: Labor in this country today

is in a mess. If it is ever going to get out of its present difficulties, it can do so only through the establishment of and the working of a fair and equal system of collective bargaining. In the second place, the company union, by the very inherent nature of its existence, makes impossible the existence within itself of the kind of fair and equal collective bargaining such as is needed. In the third place, we say that, although there may be some good company unions which do offer minor benefits to a limited number of people, they do so only at the expense of collective bargaining and only by working against the best interests of labor as a whole.

Let us look now at the first of these considerations, that if labor is ever to get out of the mess that it finds itself in at the present time, it must be through the establishment of a fair and equal system of collective bargaining. Over eighty per cent of the American people belong to the laboring class. Therefore, when we do anything which is not aimed at giving this class a fair deal, we are not benefiting the great majority of the people in the country, but we are directly affecting the prosperity of the nation as a whole. In an effort to bring about a square deal in industrial relations, labor unions were first organized. Less than a hundred years ago, conditions in industry were deplorable. Women and children worked twelve, fourteen, and sixteen hours a day for pitifully small wages. They worked at machines which made no pretense of safeguarding the tender from injury or accident. They lived in constant fear of sickness and unemployment,

which meant misery and starvation. Why did these conditions exist? It was because workers did not have an equal bargaining power with their employers. The employer came up to the working man and said, "I will pay so much to do this particular piece of work. Take it or leave it." What could the worker do? When somebody sticks a gun in your ribs and demands your pocket book, you do not stop to argue with him.

My friends, unless there is a system of fair and equal bargaining power operating in this country, every time a labor contract is drawn up, some employer sticks a gun into the ribs of the working man. Wherever there is a large body of employers and employees, there is sure to be a legitimate contact of interests concerning wages, hours, and conditions of employment. Human nature makes it certain that some employers will take advantage wherever they can.

It is for this reason that we must have collective bargaining, but before we can have any successful collective bargaining or any fair labor contract, the bargaining must be carried on by parties negotiating on an equal basis. As John Stuart Mill, the father of economics, said over a hundred years ago, the rights and interests of any person are secure only when that person is able and is disposed to stand up for them.

Let us now turn to our second consideration, that the company union by its very inherent nature tends to make impossible the existence within itself of a fair and equal system of collective bargaining such as is needed. Let us, by way of introduction, take an ex-

ample which may, on the surface, seem extreme, but which is not more extreme than hundreds of cases which are existing in the United States right now. Not so long ago, the workers in the Tamaqua Underwear Plant had begun to join outside unions. The management of the plant noticed this trend and became alarmed. He called a meeting of all the employees and announced that within the near future a vote would be held to decide whether or not the employees wanted to form a company union. A few days later the vote was held. Each worker was required to indicate over his signature, mind you, whether he preferred to belong to the national non-company union or whether he preferred to belong to the company union. The very next day every worker who had voted to join the national non-company union was locked out, fired from the job.

Now, this information comes from the February issue of *Survey Magazine*, and is given by William Lloyd Garrison, former Chairman of the National Labor Relations Board and at present Dean of the Wisconsin Law School. What kind of equal and fair bargaining power can be carried on under conditions like these, under conditions where the employer holds the whip hand in his terrifying power of discharge?

Mind you, we of the Affirmative do not say that all company unions are as bad as those in the Tamaqua Underwear Plant. A great many are—admittedly a few are not. Perhaps a few are run by high-minded employers who do have the best interests of the workers at heart. But no matter how good a company

union may appear on the surface, no matter how good the gentlemen from Illinois may make some company unions appear to be, let us remember these facts. A company union is always initiated by the employer. Now, in the first place, no employer is going to start a company union merely to strengthen the power of the working man, many of whose interests are directly opposed to his. That is obvious. In the second place, if there is an employer in this country who does intend to raise wages and shorten hours, he does not need the help of a company union to bring about these reforms, does he? And in the third place, if there is any employer who does not intend to raise wages and who does not intend to shorten hours, then he is not going to start a company union which by its very nature will tend to force him to do these things he does not want to do.

We can ask ourselves, what is the purpose of the company union on the basis of this? Obviously it is not designed to bring about a system of fair and equal bargaining power because of the very fact that the employer initiates it. At its best, my friends, the company union may be likened to the relationship between the parent and the small child. The parent may be very good to the child, but the child is always dependent upon him. At its worst, my friends, the company union may be likened to the relationship between a master and a slave.

If labor is ever to get any place in this country, it must present an united front. It is true that we have two major political parties and several minor ones in

the United States, but we do not for a moment entertain the idea of having two separate and individual forms of Government existing side by side. Nor do we entertain the idea of having cities existing unconnected by charters with some larger Governmental agency. So must labor unite if it is to be effective. As long as these two organizations, the company union and the non-company union, continue to exist side by side, employers will play one against the other, just as they have in the past. It is not until labor unites upon the most efficient and upon the most effective basis possible that it will ever be able to achieve the goals it deserves, the goals of industrial democracy and social justice.

First Negative, Jack Horsley
University of Illinois

LADIES AND GENTLEMEN: Before proceeding further, let us briefly examine what the first gentleman for the Affirmative has told us thus far.

First he assured you that the employer, in the majority of company unions, is guilty of dominating the employee. We of the Negative disagree with the gentleman of the Affirmative in this respect. He assured you that in all company unions the employer forces the organization upon the employees. He said *all*, may I remind you. Albert Shaw, eminent authority, writing in the *Review of Reviews* for November, 1933, says that in hundreds of business establishments the relations between employers and employees are excellent

under the company union. The organizing propaganda has not come from the employer, but from either the employees or from without.

Moreover he inferred that the employer is by and large an insincere person. Another authority has told us that the managers who sponsor employee representation plans are not the insincere or dishonest men with ulterior motives that they are made out to be. Lastly, according to the labor magazine published in the state of New Jersey by employees themselves, by and large in the company union there is no domination by the employer. Peaceful collective bargaining settles industrial disputes.

We have here two outstanding kinds of evidence. First there is the statement of an authority, and second the statement of individuals immediately concerned, which assure us that the employer does not in a majority of cases dominate them.

Second, the gentleman said that the company union cannot bargain collectively. Yet we find that in an investigation by the Industrial Advisory Board of the Recovery Administration, covering sixteen concerns wherein the shop relations have existed for many years, the wage rates and cooperation between management and workers average definitely better than in other concerns. This is attributable to successful collective bargaining on the part of the company union. In the Republic Steel Company during the first ten and one-half months of the existence of the company union, over one thousand different matters were discussed and settled. Of this number, 72.5 per cent were settled by

successful collective bargaining on the part of the employees.

Lastly, the gentleman of the Affirmative assured you that labor, as he said, is in a mess. In other words, its status is very low and it needs to be raised. Yet we find that over a period of years, fifty-three per cent of the national income in 1900 went to labor, sixty-five per cent in 1929, and eighty per cent in 1934. In other words, the status of labor is definitely on the increase, as indicated by these statistics.

Professor Mayo Smith has made the statement that all wages have been advancing during the last thirty to fifty years. Moreover, if labor has such a low status, capital must be assumed to have a high status, and labor is either desirous of robbing capital of this high status or taking some of this high status from capital by collective bargaining. Yet we find in the *New Republic* for January 17, 1934, that the total of all corporation profits did not exceed three per cent of the national income or four per cent of direct and indirect wages, and we find that if all income were distributed equally among all people, the average wage would increase only seventy-three cents per day. In other words, the status of labor is not nearly so low as the first gentleman of the Affirmative has pointed out to you.

We of the Negative believe that collective bargaining should be negotiated by company unions for three substantial reasons. First, because the company union is capable of and is at present succeeding in achieving successful collective bargaining. Second, because of

the peculiar structure of the public utility, which is not commensurate to the organization under the non-company union; and third, because the employee suffers many undue disadvantages and detriments under non-company unions that he does not suffer under the company union.

With reference to the ability of the company union to bargain collectively, we offer first a quotation from Gordon S. Watkins, who says, "Although many shops deal only with certain phases of welfare, the majority of contemporary company unions enjoy the power of deciding such controversial matters as wages and hours."

Ladies and Gentlemen, collective bargaining succeeds in deciding the adjustment of grievances in nearly one hundred per cent of the cases of company unionism. Now, the gentlemen of the Affirmative may tell you that in spite of the fact that collective bargaining is capable of deciding these industrial disputes, the chief objection lies in the fact that the manager has the right of the final veto in the majority of these cases. Professor Miller of Syracuse University has determined that in fifty-two per cent of the company unions, the final decision lies in the hand of arbitration. In sixteen per cent it lies in the joint determination of facts between employer and employee, and in thirty-two per cent it lies in the hands of the manager.

This final decision, Ladies and Gentlemen, is very important. Let us go a little further to find out just exactly what this managerial veto in the final decision means. Professor Miller went on to add that in no

case where the final veto was in the hands of the manager had he been able to find one specific instance wherein the manager exercised this power of the final veto. B. C. Forbes, also an authority in this field, said, "I found no cases where it has been necessary for the executive to use this veto power." William Bassett said, "I have never known an executive who found it necessary to exercise his veto." John Leach, eminent organizer of company unions, says, "The manager may have the power to veto, but I have never known the power to be exercised."

In other words, the ninety-seven per cent of the company unions which have the power of managerial veto are successfully achieving collective bargaining, and have never in one specific case been known to use the veto power. In other words, the company union is achieving the desired end.

Now, let us go on to see how this works out in practice. The Wisconsin Steel Corporation recently got an eight-hour day at an increased wage rate through successful collective bargaining. In a survey from 1903 to 1929 throughout the steel industry, we find that non-company unions succeeded in raising wages from an index figure of 100 to 262, whereas company unions by collective bargaining raised wages from an index figure of 100 to 300. Hours were cut by the company unions from 100 to 79, and by the non-company unions from 100 to only 95. This indicates that the company union is capable of achieving collective bargaining.

Secondly, it is capable of such an achievement be-

cause of the fact that a definite amount of cooperation exists between the employer and the employee. To quote from Dr. Watkins, "It helps to bring about that constructive cooperation between managers and men in the actual process of production, which is so sadly lacking in the non-company union."

Our second main contention is based upon the fact that in the public utility, if no place else, the company union should be allowed to negotiate. To illustrate this contention to you, I need only to point out such disastrous occurrences as took place day before yesterday when Centralia, Peoria, Champaign, and Bandon, which happens to be our home, were all literally plunged in darkness by strikes of public utilities. These cities were without lights, without gas, and without bus or transportation service of any kind for hours on end. This indicates that in the public utility certainly, if no place else, the company union should be allowed to negotiate and the non-company union with its antagonism and innumerable resulting dissatisfactions should be completely excluded.

We of the Negative contend that the employee suffers many undue disadvantages and detriments under the non-company union that he does not suffer under the company union. These disadvantages are classified under two outstanding heads.

First, the employee may be unskilled and therefore ignored in the non-company union, and secondly he is forced to submit to the incompetent, undemocratic, and corrupt leadership of the non-company union. To illustrate the first part of this contention, we offer a

quotation from the *Atlantic Monthly*: "Fully one hundred unions insist upon the national closed shop, supported by strikes and boycotts. These unions are private societies. They deny admission to many qualified members of their trades. They claim the sovereign right to decide who shall and who shall not be employed in their industries."

On the board of the American Federation of Labor we find that seventeen out of nineteen members of this board admit being opposed to the organization of unskilled workers.

The gentlemen of the Affirmative may assure you that they are not supporting the American Federation of Labor, but at the same time there is not one specific instance in the past where the non-company union has ever been known to allow the unskilled workers to organize under its head.

Lastly, the employee suffers under the non-company union because he is forced to submit to incompetent and undemocratic and corrupt leadership. For example, we find that in a recent survey conducted by Professor Williams of an Eastern university, over one thousand individual labor organizers of the non-company unions were found to be bought off by capital. May I remind you again that there are over one thousand of these specific cases where non-company unions were guilty of corruption.

In 1931 the Senate investigated the charges of one Martin Muhlback, who had acted as an agent of a national association to buy out labor leaders. That which stands out like a mountain in all this mass of

evidence is that labor leaders of non-company unions are guilty of selling out to capital.

In conclusion, may I remind you that we of the Negative think all negotiations should not be carried on through non-company unions for three reasons. First, because the company union is capable of and is achieving collective bargaining. Second, because the public utility is peculiarly not commensurate under the non-company union; and, third, because the employee suffers many disadvantages under the non-company union that he does not suffer under the company union.

**Second Affirmative, Paul Ziffren
Northwestern University**

LADIES AND GENTLEMEN: I confess that I was a bit puzzled the last minute. Our friend from Illinois had first of all been spending about eleven minutes telling you that labor leaders have always been wanting strikes and have always been striking, and then he concluded by saying that most labor leaders, or at least one hundred or one thousand, had been bought off by capital.

Now, certainly either the labor leaders want strikes or else they do not want strikes because they are bought off by capital. But I do not believe that you can say that a labor leader who is being bought off by capital will necessarily strike against his employer.

It was very interesting to hear these contentions which our friend from Illinois made. He told you that company unions can bargain collectively in a successful manner. Not only that, but he said that the

manager does not exercise his power of final veto when he does have it, and that anyhow the company unions cooperate more effectively with the manager than do non-company unions.

Now, let us look at these contentions. First of all, there is the contention that the manager does not exercise his veto power even when he does have it. Ladies and Gentlemen, I have tried to study labor problems for quite a while now, and never before have I realized that managers are sacrificing their rights. Just imagine! Managers are sacrificing and surrendering their rights, according to our friend from Illinois. I am not saying that managers do veto acts of company unions necessarily, but I do say that if they do not veto it, it is not because these acts are not to their benefit. It is because no act comes up for their veto that needs to be vetoed, because the company union will never, in most cases, start anything that the employer does not want to be started, and so he does not have to veto it.

In the second place, this matter of cooperation is another interesting euphemism. It is possible to cooperate with another person and get what you think is your right, but it is also possible to cooperate to the extent that you begin cooperating away your rights. I can cooperate with you to such an extent that the first thing you know you are cooperating away to me all the right that you should inherently and justly have.

Unfortunately, in most cases, or at least in many cases, the cooperation of the company union is not the cooperation of equal parties in which they try to arrive

at a mutually agreeable and mutually satisfactory arrangement, but it is a cooperation in which one party cooperates away its just and fair share of the profits of industry.

Then, in the second place he told you that the public utility means a company union. He said that even if all the other industries in this country would be better off with non-company unions, it is their contention that we cannot abolish them because the public utilities need them, and that certainly they must be given what they need. The proof of that is that they are in darkness down in Champaign or Peoria, and so on, and that they cannot ride the street cars, or there is some other inconvenience. Yes, a strike is a bad thing, and I do not believe that any American, not even an American labor leader, wants to go on strike when there is no cause for it.

You know that when there is a strike, the non-company union has to pay out money in strike benefits. You know that a strike in many cases completely depletes the resources of a non-company union, which have been built up over a long period of years. A strike is not a joking matter to those gentlemen. They do not go on a strike to put our friend from Urbana in darkness, or to make him walk. Rather they strike only when they cannot get what they believe is their just and fair share of the profits of industry. In that case, when labor cannot get what they should get, I submit to you, what can they do except strike?

If public utilities are set up so that they refuse to give labor what is their just due, then public utilities,

if they wish to avoid strikes, must reverse their policy and give labor what is their just due. Then there will be no strike. The reason why there are not more strikes in public utilities is that they are regulated by the Government, and in many cases the Government tries to see that labor does get a fair share of the profits. When labor does not get a fair share, then I submit to you that the only thing labor can do is to strike. If it should attempt or threaten to strike, the Government can soon step in and make the public utility turn about face on this problem.

So when our friends tell you that you should put the company union in this field, they are tacitly admitting that a company union will not dare stand up and insist upon its rights when the employer refuses to recognize those rights. But a non-company union, when it is not getting what is its fair share, will strike—and it should strike, even if it is going to put some people in darkness for a day or so. In the end, labor is going to get a fair deal as its due.

In the third place, they told you that the employee, the worker, suffers disadvantages in non-company unions. What are these disadvantages? First of all, the unskilled laborer is ignored. Well, all I have to do is refer you to the last Executive Committee meeting of the American Federation of Labor, held in San Francisco in October, 1934. At that time, the Executive Committee went on record definitely as favoring the organization of unskilled labor in industrial unions. Thus, you see, the American Federation of Labor is reversing its policy in that regard. Not only that,

but even if the American Federation of Labor were not reversing its policy, we say that is no argument against it, for it can easily reverse its policy.

The United Textile Workers includes unskilled laborers. If this is a defect, it can easily be remedied and is not an argument against it.

In the second place, they told you that the worker submits himself to incompetent officers. Again we say it is an unfortunate thing. About ten years ago, the Secretary of the Interior had some rather, shall we say, questionable deals with certain oil interests in this country, which were later exposed as the Teapot Dome scandal. The Secretary of the Interior at that time was evidently a little corrupt or at least incompetent, or he didn't know what was happening. Would our friends say that we should abolish the Department of the Interior because of that, or would they say that we should get competent and fair men in that office?

Again we say that if there are incompetent labor leaders—and everyone knows there are plenty of them—then we must insist that the organization throw them out and get in good ones. But again this is not an inherent defect in this organization. It can easily be remedied and when labor begins to recognize this, as it is at the present time, this defect will be remedied.

Now, what have we come down to so far? We have seen so far that labor must have a fair and equal bargaining power if it is ever to achieve industrial democracy and social justice. In the second place, we have shown you that a company union, by its inherent nature, cannot attain this.

Then our friends from Illinois tell you that there are good company unions. Let me say right away, Ladies and Gentlemen, just as my colleague said, that there are certain good company unions. As a matter of fact, there are as many good company unions as there are good employers. When an employer is a good employer, when he wants to give labor what labor really deserves, the company union will be a good company union, because the employer is willing to recognize the rights of labor. But what are you going to do when the employer is not a good one, and when the employer will not recognize the rights of labor?

In the first case, when the employer is all right, no kind of labor organization is needed. In the second case, a labor organization certainly is needed. Just a few months ago, Mr. Hershey, one of the better employers of this country, called his workers into a meeting and said to them, "Now, gentlemen, you know that I have always tried to deal fairly and squarely with you. I have always given you what you thought you deserved, but at the present time we are being undersold by one of our competitors. We have to do one of two things. Either we have to cut our wages to meet this competition, or we have to go out of business. What can we do?"

The workers agreed that the only thing was to cut the wages, just as that other employer had cut the wages of his workers. Why? Because Mr. Hershey had helped these people and still wanted to help them all he could. But due to the competitive system under which we are operating, the final price of labor is often

set by the shyster, by the incompetent, by the unfair, and by the man who tries to get the most out of labor and give the least in return.

Therefore, unless labor is organized on a national basis, unless labor unions are organized on a non-company union basis, the unfair competitor is going to force the fair competitor, just as they did Mr. Hershey, to give labor less than he really would like to give them.

President Roosevelt said two years ago, "For a long time ninety per cent of the cotton textile manufacturers wanted to give labor a decent wage and fair conditions, but ten per cent of them were 'chiselers' and refused to do this. Thus ninety per cent of them had to deal on the basis of the ten per cent, because that is the competitive system of modern industry."

So you see that from the standpoint of the employer of good concepts, he is being protected from unscrupulous competitors when labor is organized on a non-company union national basis and when all labor is demanding its just and fair due. Then no employer is allowed to bargain down his laborers and force other employers to bargain theirs down because of the competition.

As a result of this, you see one very obvious fact, that labor, even though there are good company unions, must be organized on a national non-company union basis to protect the good employer against unfair competitors and to protect labor on an united front. Therefore, we believe that all collective bargaining must be done by these non-company unions, safeguarded by law.

Second Negative, William Burt
University of Illinois

LADIES AND GENTLEMEN: You have just heard the preceding speaker tell you that we should organize on a national basis in order to smooth out the pangs of the competitive field and thus be able to keep from reducing wages. That is a very nice theory, but let us see how it works out in actual practice.

The anthracite coal industry has had national unionization over a competitive scheme for over twenty years, yet what has happened there? From 1929 to 1934, all wages declined twenty-six per cent, while wages in the Anthracite coal industry declined fifty-six per cent. Obviously, while the Affirmative may have a nice theory, when their plan has been put into actual operation, it is another story.

May I remind you that under their scheme they are not going to organize labor all over the United States. They are not going to force laborers into non-company unions, and therefore, we are still going to have utterly unorganized labor, which will tend to bring about the lower status of labor. So, when their plan is put into actual operation, it has not produced such a great effect. Furthermore, under the very plan itself, we find that they are going to omit certain laborers, and they can bring down the status of labor just as they contend the company union has. They point out that the Secretary of the Interior was corrupt at one time, but that we will not do away with the

Department of Interior. However, neither would we put all the power of government in the hands of the Department of Interior, but that is just what the Affirmative is going to do.

Then they pointed out that the American Federation of Labor in its last convention favored the industrial union. Yes, the American Federation of Labor went on record as favoring it, but they put it in the hands of an Executive Council, and seventeen out of nineteen members of that Executive Council went on record as opposing industrial unionism. In other words, the measure was killed by the executive veto in the American Federation of Labor.

Then the Affirmative mentioned that the strike is used only as a last resort. Remember that we have pointed out that workers have been able to get better wages and better working conditions without striking at all. That is why we object to these non-company unions having all the power, because the strike is so unnecessary. Company unions are for the purpose of bargaining collectively and they are not dominated by the employer. They do not use these strikes.

But let us see what happens when the strike is used only as a last resort. Remember that that is the big advantage or disadvantage of non-company unionism. In 1919, according to Marshal Oles, the eminent Eastern economist, the three thousand strikes during that year cost the American people five hundred million working days and involved a sum of over ten billion dollars. Obviously if the right to strike as a last resort

cost ten billion dollars in one year, it is not so satisfactory.

What is going to happen when, under the Affirmative plan, we place all the power of labor in the hands of non-company unions? Let us go to England for our answer. Here, while labor is not as strong as the Affirmative would have it in the United States, nevertheless, it has acquired vast strength. In 1926, twenty per cent of all British labor struck. Industry was paralyzed. The British Federation of Labor went bankrupt, and Ramsay MacDonald estimates that during that four months of the strike, it cost the British public two billion five hundred million dollars.

Ladies and Gentlemen, if under non-company unionism in England, with labor not nearly as powerful as the Affirmative would have it in the United States, labor unions can paralyze a nation for four months and rob the British public to the extent of two billion, five hundred millions dollars, what could the exclusive non-company unions do in the United States?

Then, you will remember that the first Affirmative speaker told you that the one big thing that their plan is going to do is to make for equality of bargaining power. Yet when their plan has been put into actual operation, it does not lead to equality. If their plan is successful, it leads to employee domination. That is not collective bargaining according to their definition. If, on the other hand, it fails, and all these things we say are true, it leads to employer domination.

First, let us see what happens when the Affirmative plan is successful and the employee dominates. The

plan is to strike first, dominate, and then proceed to dictate. In Detroit, for example, public utility employees struck, dominated, and then proceeded to dictate. New York's food supply was threatened by non-company unions. Professor House of Northwestern University points out that in over fifty per cent of the strikes by non-company unions, the tendency is to strike, dominate, and then proceed to dictate. They want dominance, and dominance is not collective bargaining by the Affirmative's own definition.

What is going to happen when we place all the power of labor in the hands of non-company unions. Remember that picture of England showing how the strike cost them two billion, five hundred million dollars. By virtue of the peculiar position in which it stands, labor could not stop at equality of either bargaining or deciding power, even if it would. It must be, by the inevitable logic of the situation, either subordinate or dominant.

Another authority points this out in the struggle between capital and labor in this country. Thus, if the Affirmative's plan is successful, the indication is that there will be a tendency toward employee domination, and domination is not going to be collective bargaining according to the Affirmative's own definition.

What is going to happen if some of these things are true and the Affirmative's plan is a failure? You will remember that they are going to set in motion certain definite factors which are going to be mighty hard to stop once this plan is put into operation. Professor Blum of the University of California points out that

there are going to be certain definite forces put into operation that are going to be mighty hard to stop. If non-company unionism should weaken, then there is going to be greater employer domination.

But is this non-company unionism going to weaken? That is the big question we have to point out. You remember that they said company unions divide the front of labor and therefore they should not be included. Yet that is the very tendency among non-company unions. They fight among themselves. There have been listed thirty-seven disputes in the past ten years between non-company unions. Now, if these non-company unions fight among themselves, as demonstrated in the steel strike, where the American Federation of Labor joined the employers in order to defeat the I.W.W.—and you will remember the historic fight between the American Federation of Labor and the Brotherhood of Railway Engineers. This conflict will defeat the Affirmative plan.

You will remember that the first Negative speaker pointed out to you the tendency of non-company unions to sell out to capital, and he referred in another place to the employer sticking a gun in the ribs of labor. If the labor leader is betraying labor to capital, the Affirmative plan may prove impractical and the employer may dominate. If the Affirmative plan is successful and everything is true, it is going to lead to domination. If it is unsuccessful, it is going to provide the incentive for employer domination.

They have told you that the status of labor is all wrong. Yet fifty-three per cent in 1900 was the share

of the national income that went to labor. They got eighty per cent in 1934, so evidently the status of labor is improving. But the significant fact is that non-company unions are not increasing the status of labor. Dr. Herman investigated the wage scales of non-company unions and unorganized workers, and in a period from 1820 to 1920 he concludes that the wages of organized and unorganized laborers rose proportionately during that one-hundred-year period. In other words, non-company unions in their entire existence have not increased the status of labor. That is a big thing when we consider this low status of labor.

Then they pointed out that the company union cannot increase the status of labor because it is dominated by the employer. They say that the employer has the final veto power and that he can dominate in these company unions. Yet in only thirty-four per cent of the plants does he have the final veto power. In the other plants the employee has it. Company unions are able to get more than non-company unions.

The first Negative speaker quoted from the *Statistical Abstract* and showed you gains made by company unions over non-company unions. Since company unions are bargaining collectively and since they are not dominated a large percentage of the time, and since the non-company unions tend to dominate rather than bargain collectively, we believe that at least some of the collective bargaining power should be in the hands of the company union.

So we see that since there is this tendency to bargain collectively under the company unions, the Affirmative's

plan by eliminating it is going to increase the poor status of labor. We believe that we should uphold both the company and non-company union under strict enforcement of Section 7-a, which eliminates the evils and legalizes collective bargaining. We know that we are going to have company unions, and we can have the good features of these non-company unions. Employer domination or endless strikes certainly are not collective bargaining.

First Negative Rebuttal, Jack Horsley
University of Illinois

LADIES AND GENTLEMEN. In refutation of our argument concerning labor leaders, the second gentleman for the Affirmative assures you that labor leaders would not cause a strike if they are in the employ of the employers. May I point out the case of James Farrington who accepted \$25,000 from the employers to call off the United Mine Workers' strike?

He also pointed out to you that there must be a definite cause for these public utility strikes, but may I point out to you at the same time that according to the direct testimony of the public utility organizations of the group of cities which I mentioned before, they absolutely admitted they did not know why they struck except for threats from non-company union organizers. This is direct evidence of domination by the non-company union organizers, because the employers did not know why they struck.

He also said that our figures concerning the absence

of the managerial veto indicate that we believe the manager himself is sacrificing his rights. He said the necessity for the veto never arises, yet we pointed out to you that in all cases where the veto did not arise, the company unions have advanced the conditions of labor, and we explained this by showing the advance of conditions in certain corporations.

He also assured you that the employer dominates the employee under the company union. But we find that the only part taken by the company in the election of representatives is to furnish ballot boxes, supplies, and places for the men to vote. The conduct of the election was entirely in the hands of the men. Now, to illustrate this to you, we have the testimony of an employee of the Youngstown Sheet Steel and Tube Company: "Our experience has shown us that our company leans over backward to keep out of a mix-up with nominations and elections."

The gentlemen assured you that company unions cannot bargain collectively, and yet according to statistics compiled by a recent federal board, we find that, of one hundred and seventy employee representative plans investigated by this board, forty-seven plans or twenty per cent of the employees' associations were organized and operated independently of employers, yet limited in membership to the one company. In other words, it fits the gentlemen's own definition of company unions and cannot be dominated by one individual.

One of the judges of the Federal Court of New Jersey says that by and large, by a clear preponderance,

the company union is controlled by the employee and not coerced by the employer. Now to illustrate that the company union can bargain collectively, we find that a professor of the Harvard Business School said in an article on "Labor Under the National Recovery Act," in January, 1934, in the *Harvard Business Review*, "In the Western Union Telegraph Company and the Pullman Company agreements have been negotiated between the employees' representatives and the company, setting forth in the manner of agreements with individual unions, a wage scale and detailed rules governing working conditions "

In other words, these employers have succeeded in achieving successful collective bargaining. An official of Endicott-Johnson assures us that for a period of over three years, these meetings between employees' representatives and management have decided the action of the company regarding wages, hours, and working conditions.

Another professor writing in the *New Republic* for April 11, 1934, assures us that in ninety-three per cent of the cases of collective bargaining success has been achieved.

Therefore, we believe that the company union, in the face of this overwhelming amount of evidence, including both testimony and statistics, is capable of achieving collective bargaining as evidenced by its success in doing so in the past.

First Affirmative Rebuttal, Douglas Ehninger
Northwestern University

LADIES AND GENTLEMEN: As Northwestern, the Affirmative team in this debate, opens its rebuttal speeches this morning, let us pause for just a moment and analyze what the major issue is so far in the discussion.

Admittedly we have heard a great deal about domination, and we have heard some new and surprising angles concerning it. We have heard the possibility of employee domination or employer domination as two mutually exclusive possibilities existing under a non-company union set-up.

Then, in addition to the subject of domination, we have heard something about the benefits of company unions and the consequent unnecessary possibilities of having non-company unions.

Let us deal first of all with this matter of domination. The gentlemen of the opposition, remember, have said that under non-company unions a peculiar situation exists. Either there will be employer domination or employee domination. Well, one thing is certain, that today in the company union there is employer domination.

The gentlemen of the opposition say they could not find one example of domination in the company union. Well, not so very long ago, William Lloyd Garrison, when he was head of the National Labor Relations Board conducted a series of surveys through industrial

plants in the Middle West where the men largely belonged to company unions, and he found that when straw votes were taken in which the workers did not face the possibility of losing their jobs if they voted in a manner which the employer did not approve of, ninety per cent of the workers in these industries favored non-company unions. Ninety per cent of the workers in industries working under company unions favored non-company unions when they had the possibility of voting without employer domination. In other words, there has been ninety per cent coercion into membership in company unions. There is one example of domination. There may not be, as the gentlemen of the opposition say, more than ninety per cent domination—we certainly hope there is not.

Let us look at another aspect. It is possible for law to say that free and fair elections shall be held, but there is one kind of domination that no law under the sun will ever be able to control, and that is the kind of domination which takes into account human factors, the kind of domination which occurs when the employer stands up and addresses his employees and they look at him and say to themselves, "He is the man upon whom my bread and butter depends. He is the man who is keeping my family from starving; he is the man upon whom depends my entire livelihood. I had better do what he wants me to do after all, because I must live."

That is a kind of domination that has to do with worker psychology, a human factor domination that no law can ever protect the worker from, and which is

bound to exist in a company union. It is exactly that human factor which will prevent in all cases any employee domination.

Now, my friends, we of the Affirmative are frankly shocked that the gentlemen of the Opposition got up here this morning and said that they feared employee domination. The great majority of the American people belong to the working class. Eighty per cent of the people in our country are either workers or dependents of workers. Then they said that they feared domination from this class.

Well, in the past let us see what organized labor has done. It has gotten the eight-hour day. Is that domination? It has gotten in many cases a living wage for workers. Is that domination? It has put the Department of Labor into the President's cabinet. Is that domination? It has gained the recognition of labor's rights in the Sherman Anti-Trust Act. Labor has asked for a fair deal for itself. It has not asked to dominate, but the majority of the people are laborers and their rights and their interests must be protected.

In all negotiations between the worker and the employer, the worker is bound to be the under-dog because of the fact that the employer pays his wages and because of the fact that upon the employer depends the livelihood of the workers. We do not have to fear employee domination. The employer will never give labor any more than he can afford, or any more than labor justly deserves, but labor must have the right to demand a fair living wage, decent hours, decent

working conditions, and the recognition of a man's rights as a human being.

Now, if there is any company union employer in this country who intends to give those things to labor, his company union is not necessary. If there is any company union employer in this country who does not intend to give labor a fair wage and decent working conditions, then his company union is ineffective because it cannot force the employer to do anything he does not want to do.

Let us remember these facts about domination, that there is a psychological factor in domination which no law can ever control or can ever curb, and that company unions, where there is no domination, are not necessary, because the employer does everything he can for his workers any way, and if there is a company union where there is domination, workers do not have a chance because of limited resources, limited personnel, and limited possibilities of strike. They cannot force the dominating employer to give them anything that he does not want to give them.

**Second Negative Rebuttal, William Burt
University of Illinois**

LADIES AND GENTLEMEN: You have just heard the preceding speaker tell you that there is no chance for employee domination under their plan. According to Professor Grote, during and after the War, because of our labor shortage and other circumstances, the professional labor leader was able to climb into the

set-up. For nearly two years he dominated the labor situation and on a conspicuous nation-wide scale carried his theories to their logical conclusion. What happened? The year of 1919 was the year of ten billion dollars lost in strikes. That is what happened in 1919 when the Affirmative's plan was tried. May I quote from the United States Senate: "For a week past this country has been on bended knees to organized labor, which is striking or threatening to strike." Obviously in 1919, when the labor leaders had the chance to try the Affirmative's plan, it was not equality they were trying for, but they got domination.

Then they say that under the company union there is bound to be domination, a sort of intangible, psychological domination. May I remind you that Howard Foster, eminent economist, says that in ninety-four per cent of these plans the worker cannot be fired because of company union activities. Obviously, in practice the psychological factors have not worked out so well.

Let us go over the Affirmative's case. They say the status of labor is low. We have shown you how it has jumped twenty-seven per cent in the percentage of national income received in thirty-seven years, but the big thing is that non-company unionism has not increased the status of labor. From 1820 to 1920, a period of one hundred years, it had not benefited the worker. They say that company unions cannot bargain collectively because they are dominated by the employer. Psychologically, domination has not worked out in ninety-four per cent of the plan because you

cannot be fired. Moreover, we claim that the essence of collective bargaining is joint determination, and in ninety-three per cent of those plants investigated we find that disputes are settled by joint negotiations.

What about this employer domination, the thing that the Affirmative has been worrying about? Remember that in those one hundred plants, fifty-two per cent of them had arbitration by appeal to the Secretary of Labor, sixteen per cent had joint determination, and in only thirty-four per cent was the manager equipped with the final veto power. There may be employer domination in that thirty-four per cent, but they never used it. But we do not think that just because it is in thirty-four per cent of these plants, where it has never been used, that we should do away with company unions altogether.

Then they said that the company union cannot bargain collectively because it divides the status of labor. Yet we have shown where in non-company unions the skilled and unskilled fight among themselves, and there is this same plight.

We have shown how employee domination may come about because it sets certain factors in motion which are going to be hard to stop by forcing employers to fight a little bit harder. Remember, too, that non-company unions fight among themselves and this may lead to employer domination once the Affirmative's plan is put into operation.

Then we find that the case is settled down to this: The big point is that non-company unions have not increased the status of labor over a hundred-year period.

We have pointed out to you that company unions in the General Electric Company gained a ten-per-cent increase in wages; in the Wisconsin Steel Corporation another ten per cent increase in wages, and in the Illinois Central Company union a thirty-five-cent wage increase

The statistics show you how the company unions were able to achieve greater success than the non-company unions by joint negotiations rather than by strikes. We believe that the company union should be kept in our modern industrial organization.

Remember, then, that the company union can bargain collectively, whereas the non-company union tends to strike and dominate, not to bargain collectively. Therefore, we do not think that this company union can be utterly eliminated under the present industrial system without increasing the tendency toward domination and decreasing the status of labor.

**Second Affirmative Rebuttal, Paul R. Ziffren
Northwestern University**

LADIES AND GENTLEMEN: I suppose it is logical to start out this last discussion by asking ourselves the question, is there really a problem? According to the last speaker, labor is in a pretty good condition. They are getting—how much is it?—eighty per cent of the national income at the present time. But if there is not any problem, it seems very queer that the Negative would present a solution to this non-existent problem. The very fact that they want company unions and

non-company unions, too, shows that there must be a problem. So let us examine this problem.

The first thing we would like to point out is that according to a survey conducted by Secretary Perkins of the Department of Labor, since 1900 to 1930, the wages of labor in the United States have increased about $7\frac{1}{2}\%$, and that same committee found that the wages of labor in non-company unions had increased $12\frac{1}{2}\%$, which seems rather conclusive evidence that non-company unions are doing something to advance the cause of labor. You yourselves know that that is true.

When you look back at the conditions that existed in 1880, when the American Federation of Labor was beginning to organize—the twelve, fourteen, and sixteen-hour days, the six, eight, and ten-dollar week, and no sanitary conditions—you can tell that there has been benefit to labor brought about by the concentrated block of labor leaders, by the lobbying in Washington, by the agitation for labor, and by all these means which have been used by labor to improve their condition.

It is interesting to note that no company union has ever tried to do anything for labor on a national scale. No company union has ever tried to lobby in Washington. No company union man is represented on the N.R.A. board. No company union man is represented on any national labor board. No company union man was represented on the labor board during the War. We shall speak more of this a little later.

Their next point is that somebody must dominate.

Somebody is bound to dominate, they say. Evidently they think there is a struggle and somebody has to dominate. If somebody must dominate the labor situation, we would like to ask you this question: Must not somebody dominate when you have a company union and an employer negotiating with each other? If you cannot have an equal bargaining power and somebody has to dominate, this is true in every set-up then.

But they go on to say that non-company unions just strike, and they say that those from where they came just struck and that they do not even know what they struck for. I submit to you whether that is a logical and intelligent reaction for a man to walk out on a job with, "Well, I do not know why. I am just walking out on this job."

Friends, do you think these men are walking out on a job for no reason at all, to go without lights and water just because they want a vacation without pay, especially when the national labor unions pay strike benefits?

Then they told you that they are in favor of a dual system and at the same time they are opposed to strikes. Senator Wagner, the famous champion, points out that seventy-five per cent of the strikes since 1932 have been caused by this dual system, by the fact that labor was divided and was being made to fight each other. If they are against strikes, they are against a dual system where company unions and non-company unions are fighting against each other.

They go further and point out that the non-company

unions are divided, too. Their proof is this: Look at the American Federation of Labor, which is fighting the I.W.W. I have never heard of Professor House of Northwestern, but they quote this gentleman as saying that in these industries we do have such a condition. Naturally the American Federation of Labor is going to fight the I.W.W. because the I.W.W. is interested in class struggle, while the American Federation of Labor is not interested in class struggle. The American Federation of Labor wants only a fair share of the profits of industry, and does not want to fight the employer. And any time that the communists or the I.W.W. do try to fight the employer, you will find the American Federation of Labor representing the non-company unions opposing that class struggle.

We can conclude, therefore, that domination really is not a true situation. They tell you that during the War labor dominated. My friends, may I point out to you that in England, which they have been quoting so much, the labor leaders signed a solemn agreement not to strike during the War. They swore away their right to strike during the War. Is that the way of domination? Do you know that Samuel Gompers served on Governmental boards? Is this a case of domination? This is a case of cooperation in which labor has a chance to do something.

Their next statement was that there are good company unions, but don't you see that the good company unions are unnecessary? They cannot do anything that the non-company union cannot do better, and the bad company union is absolutely a detriment to the interests of labor as a whole.

Thus you see that if we are to get a fair and equal system of collective bargaining in this country, we have got to have equal parties. We cannot have this domination psychology where a man realizes that the man he is negotiating with is his boss.

When labor cannot get what it deserves, the only thing it can do is strike. It strikes as a last resort to get the benefits. Since good company unions are unnecessary, and since the bad company unions are a detriment, we must have all our collective bargaining negotiated through non-company unions, safeguarded by law.

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GOVERNMENT OWNERSHIP OF
PUBLIC UTILITIES

Ohio Conference Debate

GOVERNMENT OWNERSHIP OF PUBLIC UTILITIES

UNIVERSITY OF TOLEDO AFFIRMATIVE AND NEGATIVE

The Ohio Debate Conference discussed the subject of the ownership and control of public utilities during the season of 1934-35. The statement used was, *Resolved: That the policy of government ownership and operation of public utilities, federal, state, and municipal, would be preferable to private ownership and operation. Constitutionality conceded.*

The following speeches are the work of the Ohio Conference Squad of the University of Toledo, and were used for the most part against Ohio Conference opponents, including Ohio University, Bluffton College, Muskingum College, Akron University, Heidelberg College, and Findlay College. The Toledo debaters finished the conference season undefeated.

The speeches were collected and submitted by Professor G. Harrison Orians, Director of Debate at the University of Toledo.

First Affirmative, G. C. Scharfy University of Toledo

LADIES AND GENTLEMEN: Of late one of the most interesting topics for discussion throughout the country has been the question of the Government in the Utilities Business. In debating the question of the relative merits of Public or private operation of the Utilities, it is essential that certain pertinent facts be held in mind. There must be realized, in the first place, that

in dealing with public utilities we are dealing with monopolies, either natural or legal. This fact is universally recognized, for it can be clearly seen that the very characteristics of public utilities inevitably result in monopolistic organizations with little or no competition. Two gas companies, for instance, do not lay parallel pipes in the same community; two water companies do not tunnel our streets; and no longer do two telephone companies attempt to serve the same people. Economic reasons have come to prohibit any such competition.

Government agencies early recognized the peculiar, the unique, characteristics of these utilities and granted them franchises and special privileges as one means of controlling them. Monopolies, it was speedily agreed, could be tolerated only when effectively regulated or publicly owned. Thus the stage from mere franchise to state boards and legislative enactment. Now in this debate the Affirmative seeks to demonstrate that regulation is an utter failure, and that the factors which lead to its failure are inherent; that government ownership and operation will insure and do insure greater social advantages and that government ownership and operation is sound in theory and actual operation; in short, that the policy of government ownership and operation of utilities would be preferable to the policy of private ownership and operation.

Our opponents, on the other hand, must be committed to the policy of private ownership. To be logical in their position, they must not only be opposed to any government assumption of control over privately

owned utilities, but they must be opposed, virtually, to the *status quo*. In face of the fact that a great many utilities are already publicly owned and operated; in view of the fact that over fifty per cent of the electric power plants in this country are municipally owned and operated, the sweeping character of the Negative stand is apparent: they must logically be in favor of abolishing public ownership wherever it exists in this country today, no matter how successful. This position is implied, mark you, in their fundamental opposition to the policy of government ownership and operation

Years ago our government recognized the necessity of controlling these potential sources of autocratic power in order to protect and safeguard the interest of the people. It tried regulation, but at no time has regulation been a success. New and more complex problems have continually arisen to confront the forces of control. Our economic development has progressed beyond the point where any kind of regulation can succeed. Government regulation has been absolutely inadequate in controlling the public utilities for the best interests of the people, and it can never succeed in accomplishing this task.

This inadequacy is made apparent in the first place by the fact that regulation has not succeeded in giving fair rates. Let us turn our attention to New York State. During the past two years the incomes of the average New York family decreased sixty per cent. This, of course, was largely due to the depression, but is it not logical to expect that the rates of the very necessary services of the utilities would be somewhat sim-

ilarly reduced? Was such the case? No! On the contrary the utility rates for gas, electricity, and telephone in the state of New York were increased eight per cent in the same period of time! This is an example of efficient government regulation.

The railroads in this very region were allowed, in 1931, in the depth of the depression, to raise their rates from fifteen to twenty per cent over the previous level—another example of the success of regulation.

The gross inadequacy of regulation is further demonstrated by the revelations of the Federal Trade Commission, the most authoritative body on this topic in the United States. This commission conducted an exhaustive investigation into the operations of the privately owned public utilities. It found that the utilities had been charging exorbitant rates based upon a highly speculative evaluation of utility property, and that the public was forced through high rates to convert such valueless stock into income return.

When such conditions are allowed to exist our whole economic structure is in danger of collapsing. It was out of such a corrupt, vicious system that Insull, Foshay, Krueger, and many others fell, carrying with them, in their collapse, the fortunes of thousands of people. All of this, mind you, occurred under government regulation.

Secondly, regulation has failed and must inevitably continue to fail because of the impossibility of curbing the activities of the utilities. Allow me again to cite the Federal Trade Commission. This body has, since 1928, been laboring to unearth the unethical tac-

tics of the Utilities Its findings have been released in fifty-one volumes. We do not have the time to go deeply into the content of these tomes this evening, but very appropriately, the Commission has recently released four dramatic reports covering its findings. It found that the Utilities had been carrying on a tremendous, dangerous campaign of propaganda; that they had been so misrepresenting the facts of their operations behind the curtain of this propaganda as to endanger our economic liberties. The Commission has reported that the Utilities had spent millions of dollars in issuing circulars, and in the buying of "good-will" advertising, which they withheld from papers that did not editorially support them. It was found that the news bureaus of twenty-three states were functioning in such a manner as to allow the Utilities in six states, eight thousand free column inches of material per month with which to spread their prejudiced, distorted views to the public.

Realizing that the most important opinion forming factors in the country are the press and the schools, they gave these two agencies the most thorough, the most widespread utility propaganda of all. Ladies and Gentlemen, when we tamper with the schools, as the reports definitely state that the Utilities did, we tamper with truth, with agencies of enlightenment. When such an enormous amount of propaganda is carried on, our lives are pervaded with the vicious, unhealthy interests of the utilities. Instead of attempting to gain their ends by open, above-board means—by the ballot-

box—they have resorted to a form of persuasion contrary to the best interests of American democracy.

Then too, the Utilities have millions to spend while the commissions have paltry thousands. When one considers that the cost of initiating and carrying through a complaint contested by the companies, may be anywhere from twenty to one hundred and fifty thousand dollars or more, we can readily see why the commissions have not been successful in combating the utilities. The gas case in our own community has been hanging fire for over five years because the city has not had the funds to fight the company.

Aside from the fund limitation in such matters, there is no question but that the Utilities take advantage of and aid in furthering court delays for the purpose of continuing their high rates. Commission regulation is, in consequence, so notoriously slow that the consumers are forced to struggle under burdensome conditions for many years. In the case of the Los Angeles bond issue, it took from 1919 to 1922 to get a simple bond issue through the courts. Likewise, it took eleven years to settle the Chicago Telephone case.

Not only the tactics of the utilities prevent the success of regulation, but inherent disadvantages of the principle of regulation prevent its success. The commissions have been created by acts of legislatures; their controlling powers are very definitely limited by law; in many states they are hindered by the very laws which created them. If they had been given sufficient power to make them effective, they would have been granted arbitrary monopolistic power, the very dangers

of which we are now attempting to curb in the utilities!

The utilities also have an enormous advantage when their cases are taken to the courts. Not only do they have the funds to best their opponents, but the inconsistency of court decisions work to their advantage. We have had many cases of reversals of decisions and delayed verdicts, but the masterpiece of all time came not long ago in the Atlanta and Bluefield Water Cases when the Supreme Court of the United States, on the same day and in similar cases, gave opposite opinions! When decisions are as inconsistent as that, the commissions can never be successful in fulfilling their tasks. A commission in the state of New York reported that the unlimited power of the utilities to resort to the courts in rate cases means the utter failure of regulation!

Therefore, since we realize that government regulation has not and cannot succeed in controlling the operations of the utilities in the best interests of the people, because it cannot succeed in giving fair rates, because the Utilities prevent the successful operation of regulation through the use of propaganda, and shrewd court tactics, because the commissions are definitely limited by the lack of funds and a lack of power, and because we must be averse to granting them the dictatorial powers necessary to eliminate these difficulties, we can see that public ownership and operation of these utilities is unquestionably preferable to private ownership and operation.

First Negative, Daniel Gluck
University of Toledo

LADIES AND GENTLEMEN In listening to the proposal of the Affirmative this evening, as presented by the preceding speaker, one is immediately taken back by its all-inclusiveness and complexity, for the gentlemen of the Affirmative are not merely suggesting government ownership and operation of a single utility, but of all utilities, *inter* and *intra*-state. In other words, their proposal extends to telephone, telegraph, railroads, buses, street cars, electricity, gas, and water, and by close implication, to radio, trucks, air lines, and steamship lines

But what is of even greater concern is that although the Affirmative proposal is so all-inclusive, yet the first gentleman of the Affirmative has confined his remarks to a small portion of these many utilities. Permit me, therefore, this opportunity, before the Debate progresses any further to remind the gentlemen of the Affirmative of the all-inclusiveness of their obligation. Unless they can establish the soundness of government ownership and operation in *all* utilities, they cannot possibly substantiate their case.

The text of the Affirmative case this evening has been that regulation is a failure, and, therefore, we must turn to government ownership and operation. But are the gentlemen of the Affirmative really in a position to condemn the principle of regulation? Have they asked themselves this question. Have all the pos-

sibilities been exhausted under regulation; can we fairly condemn it at this time? Had the gentlemen of the Affirmative asked themselves this, I doubt very much whether they would be here this evening offering a rejection of the regulation principle as the basis for a change to government ownership and operation

All evidence points to the fact that we are just beginning to give serious thought to the real possibilities of regulation. Professor Dimock in his very recent book on *British Public Utilities and National Development* points out how Great Britain is answering many of the former objections to electric utility regulation through their Electricity Commission, which possesses both initiative and judicial authority. I have in my possession a special report of an Advisory Committee to the Ohio Bar Association embodying eleven specific recommendations, again tending to unify and strengthen utility regulation. Similar suggestions for the improvement of utility regulation are being made and put into effect in the States of New York, California, and South Dakota.

The gentleman that preceded me went to considerable length to attack the holding company as a reason for government ownership and operation of utilities. Here again, the Affirmative is premature in its conclusions, for at the present time a National Power Commission is working under President Roosevelt to perfect a legal set-up which will provide regulation for the utility holding company. Among its stated objectives are, first: no more than one holding company shall be super-imposed upon a group of operating com-

panies; second: the power resources of a holding company shall be limited; third: natural gas and electric companies shall be divorced. Besides this, there is the recent Federal Securities Act with its preventive aspects, and there is pending legislation providing for federal control of all holding companies engaged in interstate commerce. And yet the Affirmative would reject regulation of the holding company before it had really been tried.

So we see that the success or failure of the regulation principle is still a moot question, and for the gentlemen of the Affirmative to reject it arbitrarily at this stage is both premature and unsound.

But the gentlemen of the Affirmative maintain that private utilities combine high profits and high rates, and therefore are undesirable. It is the opinion of the Negative that the eternal battle of political expediency versus economic efficiency which would inevitably occur under government ownership and operation would result in higher cost and poorer service to the public as a whole than those which the Affirmative find so undesirable under our present set-up.

Let us consider, briefly, how political management would affect financial efficiency of the Utilities.

The Municipality has always been recognized as the weakest link in our governmental chain, and yet it is upon this weakest link that the Affirmative would rest the strength of their system of government ownership. Extension of government control within the municipality to the Utilities means an extension of the power of the political boss, with all the corruption and spoils

attendant upon such power. It means padded payrolls. It means that political loyalties and family connections shall determine the personnel and little effort be made to base the size and character of the employment list upon actual labor needs or merit. And padded payrolls lead to inefficiency of operation and increased production and distribution costs.

Again, a second serious economic objection to political management of utilities is that it results in manipulation of rates and services as a means of securing votes. What cares the politician if the rates he extends to the people are so low as to create operating deficits as long as he can obtain the popular approval of the constituency by so manipulating the rates. Consider how minority interests can command special rates in exchange for political support. For example, the wheat farmers of the Dakotas and Minnesota, or the fruit growers of New York and Maryland could band together to demand special freight rates, with the whip-hand of political support or disapproval in the background, much as the silver interests and others have done in the past. And the country as a whole would have to pay for the favors extended these special interests.

The same political expediency that would prevail in regard to rates would also hold true in extension of service. The man who would extend power lines down every country side-road would receive the rural vote, but such uneconomic extension would ultimately mean higher rates for both city and country or else huge operating deficits. The politician who would bring

home a nice new depot to his constituency in Espyville would be the local hero, even though Espyville didn't need a new depot, and the country as a whole would have to pay for his vote-getting gesture.

But there are still other political factors involved which contribute to financial waste and inefficiency under government ownership. One of these is graft. The same politicians that use ownership as a political expedient will not hesitate to follow their time-worn custom of obtaining graft wherever purchases of equipment and construction of plants, etc. are involved. Here again, we are adding to the price which the public will pay in the final analysis.

Still another source of wasteful expenditure lies in the constant tendency under government control to build and spend with little regard for actual needs. An example of this is the famous Alaskan Railroad operated by the Federal Government which serves an area of 50,000 square miles populated by 8,400 people, about a third of whom are there directly on account of the railroad. Besides the sparseness of population there are practically no exports whatever from that region. This serves as another vivid example of uneconomical *expansion* on the part of governmentally operated utilities. Of course if the Affirmative reply that this railroad was never designed to operate at anything but a loss, but was designed to open up a new territory for settlement, a new problem presents itself. We may easily refute this argument by comparing the increase in population of the area with the total loss incurred by the road. Between 1920 and 1930, the

first ten years of the road's operation, the increase in population of the area served by the road was less than 1200. During this same period the railroad cost the taxpayers of the United States about \$10,000,000. A few calculations will reveal that each 100 persons brought into the railroad's territory cost the Government about \$800,000. A vast gift for such small results.

Government operation, in the case of Alaska, added insult to injury by constructing a highway running parallel to the Railroad for some 400 miles. The running time of a motor vehicle on the highway is much less than the running time of the train. This caused the highway to become the principal competitor of the Railroad in the transportation of freight. This fact reveals a very definite *lack of coordination* on the part of governments in the practical promotion of their activities.

An even better example of this uneconomic expansion is the Grand Coulee project in the State of Washington, a measure promoted by the special interests of a very localized area, and utterly without real value to the country as a whole at the present time. John Gilbert, writing in the *New York Times*, has this to say about power in the State of Washington: "The Federal Government is proposing more power than eight states can use." The pressure which Chambers of Commerce of Wenatchee and Spokane were able to bring in securing a grant of sixty-three millions from the P.W.A. for the erection of a dam and a 700,000 H.P. Hydro Plant is an illustration of the uneconomic pressure which can

be brought under public projects. As Dook Stanley points out, such a project, prompted by local pride and ambition, could hope for success only under two conditions. "either through the government, and indirectly the tax-paying public, financing tremendous successive deficits over a long period of years, or through 'cheap power' inciting an industrial migration as precipitate as a pioneer gold rush." Such are the pressures that would be brought under the Affirmative proposal.

It is this very uneconomical set-up, with political management producing a spoils system and manipulation of rates and service, that the Affirmative would advance as a means of securing cheaper and better service to the people as a whole

Second Affirmative, Theodore Ulmer
University of Toledo

LADIES AND GENTLEMEN· So far in the debate this evening the Affirmative has been content to show that our present system is ineffective, and that it cannot be rendered effective because of the very nature of regulation and because of the inevitable unfair practices of the Utilities. Under government ownership and operation, however, the government can control from within; it will be able to exercise a fingertip control upon the utilities, it will be able to feel the pulse of the entire system throughout the nation and, therefore, will not be in the position of an outside agency whose every move is thwarted by the unfair maneuvers of the Utilities.

In discussing a proposition of the nature of our evening's topic, it is incumbent upon us to set up certain criteria of judgment. Let us borrow a word from the President's vocabulary in saying that we may determine the preference of public ownership over private ownership by employing certain "yardsticks." In my remarks I want to employ three such yardsticks: rates, service, and buying power.

The policy we are discussing is economically sound from the viewpoint of the consumer. A fair rate to the consumer means a cheap rate, and this is just what the Affirmative policy ensures. Our present rates cannot possibly be fair because of the enormous expenditures on the part of Utilities today. My colleague has shown you how millions of dollars are spent annually for propagandist activities, for maintaining lobbies in our legislatures, and for engaging in lengthy court battles. Our private utility magnates, moreover, think so much of the public welfare that they content themselves with such meager salaries as \$100,000 a year. Our Utilities today are over-capitalized to the extent of \$925,000,000. Most of this sum has been invested by an unsuspecting public in practically worthless utility securities, enough money invested in these watered, fictitious stocks and bonds to build a road from New York to San Francisco, seven feet wide and paved entirely with one dollar bills. It is obvious that dividends must be paid on this over-capitalized investment, and the only way for utilities to pay excessive dividends is to increase rates. Thus it is not difficult to see that the private ownership of utilities has failed and will in-

evitably continue to be a failure. On the other hand, let us critically examine public ownership, from the standpoint of rates, as it has been tried in American cities.

The city of Seattle at one time had a privately owned plant which charged the citizens of that city twenty cents per kilowatt hour for electricity. A public plant was installed and rates were immediately cut from twenty cents to seven and later to five cents a kilowatt hour. Despite this drastic cut in rates, the city of Seattle has made a profit of \$11,000,000 on the plant, and of the \$54,000,000 invested in the plant the taxpayer has not contributed a single cent. The city of Tacoma has experienced a similar saving. There the top rate is four cents per kilowatt hour which scales down to one half cent per kilowatt hour for domestic users of large amounts of electricity. In Cleveland, Ohio, the drop was from 15.5 to 3 per KWH when public ownership was started. At one time Canadian and American electricity rates were about the same. Then in 1910, with the advent of public ownership, the Canadian rates took an abrupt drop. As a result Canadian rates average 1.2c per kilowatt hour while American rates average 7.2c per kilowatt hour.

There is, however, far more to be gained from government ownership and operation than merely the monetary saving; there is a very definite social advantage to be obtained. There are 40,000 electric stoves used in Seattle. Government ownership has enabled the people to cook by electricity, and homes are being built in Seattle and Tacoma without chimneys for the

people are now able to heat their homes by electricity. Imagine the convenience and luxury and reduction of toil and drudgery in the home which are the natural results of a fair electric rate. It also means that thousands of people who never could enjoy the benefits which electricity affords, because of prohibitive rates, are now using this electric power for easing their daily tasks.

These are not isolated examples of the benefits of public ownership. The New York Power Commission, after a very detailed three year study, recently reported to President Roosevelt that rates in the northeastern part of the country are almost twice as high as they should be. The cost of the production and *distribution* of electricity in New York State, the Commission reports, is three and one-half cents per kilowatt hour, yet the Utilities of New York charge the consumer six cents per kilowatt hour. Take in our own state, Ohio: in Kenton it costs the consumer 210% more for electricity than is required of the producer. In the Worcester Gas and Electric Company case, the rates were 45% above the cost of production and distribution, while rates were 105% above cost in the case of Electric Bond.

Public ownership, therefore, is a just and equitable means of distributing the benefits of modern science to the people as a whole without raising taxes or rates. Under private ownership most utilities charge high rates and make large profits. The New England Power and Light Company, for example, realized at 63% profit above its operating cost. Rates charged by this,

and other utilities, were 60% higher than those assessed by similar governmentally owned plants, according to David Lawrence. This statement he made after studying a survey of the utility rates in six representative states.

Even if governmentally operated utilities were to have their expenses increased in direct proportion to the *tax* costs of the private companies, their rates would still be much lower than those of private companies. This is true because utility rates must be sufficiently high to pay all expenses, including taxes and still assure fair return on tremendously inflated capital structures.

Not only do the utilities charge exorbitant rates, but they do not extend their services unless they are assured a handsome profit for doing so. This is, of course, characteristic of all concerns whose ideals are not socialized. It is characteristic of those who are motivated by the desire for large profits, as the Utilities are. Under government ownership and operation, however, where the maximum service motive supplants the maximum profit motive, services can be extended to such areas as may economically be served without the demand for a straight six per cent return. Such socialization of the electric industry is only remotely possible under a system of private ownership. Our new deal in government brought about an era of abbreviations: C.W.A., N.R.A., F.E.R.A., A.A.A., C.C.C. and many others. To this alphabetical list we would add another, E.E.O.: Equalized Electrical Opportunity, a fundamental benefit which should be accorded all

where economically feasible, but which can only be realized under government ownership and operation of all the utilities.

I have pointed out the yardsticks of service and rates by which we would test the value of Public Ownership and pronounce it preferable. Now let me further show that government ownership and operation would have a very beneficial effect upon the economic structure of the nation as a whole in terms of stabilizing buying power. Economic disorder, commonly termed depression, is largely the product of speculation, speculation especially in the securities of the utilities. Securities comprise almost 40% of our present stock market. Under government ownership and operation speculation in these fields would be absolutely eliminated for the very simple reason that these securities would no longer be on the market.

This would be followed in turn by a partial dispersion of wealth with the consequent increase of consumption of goods and services. The control of ninety per cent of the wealth of the nation by a small handful of owners is not only a concentration of wealth; it is also a concentration of the buying power. Redistribution of this buying power must be brought about and one of the most effective ways of doing this is to break down the means by which huge fortunes are built up almost over night by the utility magnates. The Insull combine was capitalized at \$265,000,000. In one year this organization realized profits of \$155,000,000, a return of 60% of their total capitalization in one year! Then, when the Insull combine fell, it

carried with it the fortunes of thousands of small investors causing a total estimated loss to the public of \$4,000,000,000. We realize, of course, that in advocating the government ownership of Utilities we are not grappling with the entire problem of the concentration of wealth. We do not attempt to do so. We say this, however, that we are striking at the problem in the field where the most abuses have occurred, where success of effort is most certain, and where the fruits of successful operation are most pronounced. Thus Ladies and Gentlemen, it is not difficult for us to see that government ownership and operation of the Utilities is the way for us to obtain the economic and social benefits we should have, and is the one and only way to keep the private utility steam shovel from digging any deeper into the public purse.

Second Negative, Edwin Klag
University of Toledo

LADIES AND GENTLEMEN. The Federal Trade Commission in a very recent report made public its views on the present situation in the field of Public Utilities. Since the Affirmative in this debate bases much of its case on the activities of this Commission it might be well at this time to examine its most recent report. In the first place, only gas and electric Utilities are condemned for malpractices in this report; nothing whatever is said of the other utilities included in the extensive Affirmative proposal. Secondly, the Federal Trade Commission does not recommend government

ownership and operation, even of the gas and electric Utilities it allegedly scores, but simply advocates an improvement of the present system of control. In this respect the Federal Trade Commission endorses the stand of the Negative this evening. A third point of interest in reference to the Federal Trade Commission is that, in its investigations of alleged evils present in the utilities operations, the Commission made it clear that the abuses which it discovered were not in any sense confined to Utilities alone, but were common practice in all Capitalistic enterprises. It seems, therefore, that from the Affirmative's own authority comes much of the real strength of the Negative position. Unless the Affirmative stands for complete socialism, their condemnation of the propagandist activities of the Utilities is not justified, nor to be taken in good grace. If they stop halfway in the proposal for socialization, then before them is the spectacle of a nation half privately owned and half socialized, between which divergent groups of interests one dominant conflicting idea stands. Imagine the clash of opinion and agitation under such system. The downpour of propagandists' rain would be seventy-six inches a year! If the activities of the Utilities seem startling to you today, realize that thus far we have but an inkling of the publicizing activities which would result from the endeavor to prevent any further encroachment upon the real of private business. If the Affirmative propose complete socialism, then they must be prepared to answer more fundamental objections to the scheme of socialized industry than we have thus far advanced.

One of the prime objections to the Affirmative proposal is that there is no assurance of continuity in the operation of the utilities they would put under government management. With every election, be it municipal, state, or national, there is grave danger of a complete reversal of policy on the part of the newly elected officials and their political hirelings. The fact that efficiency, expertness, economy, and foresight, are qualities which are necessary for an effective program for the utilities which are involved, only makes it all the more probable that such a good program would not ensue. It cannot be forthcoming when it is subject to political interruptions or the lack of ability on the part of back-slapping politicians. A continuous program cannot be devised if it is to be subject to change every two, three, or four years. The possibility of change of officers and of policies with every election cannot help but carry with it the death blow to long time planning, contracts, and credits, not only for the Utilities involved, but also for the American Industries which they serve. It will also carry with it an "after us the deluge" attitude on the part of the incumbents which will work contrary to the interests of the American people.

Again, under the Affirmative proposal the workers in the utility industries must either be placed under a system of civil service or their appointments must be left open to the discretion of the administrative heads. Both of these methods entail difficulties which are difficult to surmount. It is here that the Affirmative is

faced with a grave dilemma involved in the selection of the workers under the projected program.

If the Affirmative decide to have all appointments made by the administrative heads, then they are advocating the spoils system which harks back to the days of Tweed in New York and M'Manes in Philadelphia. They believe that political machines should subsist on the spoils of office and that the victors should utilize all the patronage at their disposal to reward party services. They condone a system in which employment depends upon the fortunes of the political leaders and in which the employees spend much of their time working industriously for party success. Unless the Affirmative can prove that under their program they can separate politics from administration, the Negative believes that public ownership is not preferable to private ownership because, as A. E. Morgan of the T.V A. has so very well said, "The success of public ownership will extend only so far as it can be divorced from politics."

If on the other hand, the Affirmative feel that their utility employees should work under a system of civil service, they are putting millions of workers under a system which carries with it potential stagnation and inefficiency. They are putting men under a system which permits the physically and mentally unfit to stay in office through life as long as they are not guilty of great misdemeanor however inept they may be at specific tasks. Such a system puts a premium upon mediocrity. It cannot reward merit because of its inflexibility and its complacency. It cannot work effi-

ciently because it is toyed with in the way of temporary appointments, special exemptions, veterans' preference, partisan testing and appointing boards. Above all, it cannot produce results because of the inability of department heads, who have direct supervision, to discipline and penalize, or to remove incompetent and unruly employees. This is the system which is exemplified in many City Halls or among Court House workers and which led no less an expert than W. B. Munro to estimate that Civil Service workers usually receive about ten per cent more pay for forty per cent less work than similar workers under private employment.

A third point of danger in public ownership is that there is no adequate incentive for progressive managerial or technical methods. Governments throughout their past history have been pitifully slow in adopting up-to-date methods of management, etc when compared with private enterprises. As Bruce Barton stated, "the Ford would still be a model T and the Chevrolet a four under government operation." This also holds true for the utilities and is exemplified in the case of the railroads. L. C. Probert in the *New Outlook* for November of this year declared: "There is not one single instance of any improvement on a government-owned railroad. Railroad service has been developed by the free play of competition and the incentive of individual reward in the United States . . . The improvement record of the government-owned railroads everywhere is absolutely nil."

That public ownership of utilities might be detri-

mental to the best interests of American Democracy is evident when we realize that under public ownership almost half the jobs in the country could be under the control of the government administration. With billions of dollars and millions of jobs involved, a bloc of votes sufficient to permit the utility employees to demand privileges and special concessions might easily develop. When we think of the strength of an organization like the American Legion, as far as special concessions are concerned, we are better able to comprehend how much worse the situation might become if all the Utility employees were to band together in their own interests. Such a state of affairs would be perfectly harmonious in operation in a corporate state like that of Italy, where representation is on the basis of industrial interest, but it certainly would be contrary to the democratic principles of the United States and subversive of political stability.

In brief, then, Ladies and Gentlemen, public ownership of utilities is not recommended by the Federal Trade Commission. It cannot be successfully achieved save under a completely socialized state. It carries with it grave dangers of irregular or intermittent service because of potential political interruption. It cannot successfully reward meritorious work and fails to provide adequate incentive for progressive operation. And finally, public ownership upon a scale so vast as contemplated by the Affirmative could only spell a complete upheaval of all our political institutions.

Third Affirmative, William Moore
University of Toledo

LADIES AND GENTLEMEN: To hear the vicious attack of the Negative upon government ownership and operation of public utilities, one would think that any such plan was radical, impractical, and dangerous. Such is not the case. Our government has a full right to operate utilities, regardless of the arguments for or against the socialization of industry, for the Utilities differ from other business. In the first place, they deal with services not commodities and hence are more suitable for government control; secondly, these services are necessary and vital, a condition characterizing no other industry or field of industrial service, thirdly, utilities are, on account of their essential character, necessarily monopolistic in nature as my colleague has pointed out. These last two conditions make an almost ideal field for exploitation of a helpless public. My colleague has shown conclusively that attempts to control the great utility concerns have miserably failed because of their very nature. Some other solution is necessary and government ownership is the answer.

Public ownership and operation of utilities has not been the abject failure the gentlemen of the Negative would have us believe. Police and fire protection, sewage and garbage disposal, postal service, all of these are examples of essential service now satisfactorily carried on by the government. We would not dream of letting private corporations *reap huge profits* from

these services. But, oddly enough, we permit utilities magnates almost limitless *profits* and *power* in their control over the great utility structures of the country. The American Telegraph and Telephone Company for example controls absolutely seven out of every eight telephones in use in this country. Western Union controls four-fifths of its field and is closely allied with American Telegraph and Telephone Company. Similar instances of an almost monopolistic control of the essential services throughout the country make us wonder whether or not we are living under a democracy. The enormous power at the beck and call of a few utilities magnates smacks more of a *financial dictatorship* than anything else. Therefore by furthering public ownership we have the very definite advantage of insuring true democracy. This is accomplished by taking control of vast utility enterprises out of the hands of financial dictators or magnates and returning control to the people which the Utilities serve.

Allow me to point out, in the second place, that our government has shown itself to be perfectly able to carry on enterprise in the service field. The Port Authority of New York is a government agency engaged in dredging harbors, building bridges and wharves and rendering various other services. Almost perfect efficiency has characterized its actions. It is financially sound and has even reduced its bonded indebtedness \$1,400,000 in the last year, according to the *Port of New York Authority*, [December, 1933. p. 17, 18].

In the Panama Canal Zone our government owns

and operates businesses of every sort. Stores, mills, railroads in the Canal Zone are models of efficiency under government ownership. Dr. Dimock made a thorough investigation of the conditions in government management of the Zone. After years of research, he wrote his doctor's thesis on this public ownership. The scholarly book entitled, *Government Operated Enterprises in the Panama Canal Zone*, highly praises government operation in the Zone and serves as a fitting tribute to the progress there toward ultra-efficient administration of services by the government. Dr. Dimock points out that the same smooth efficient operation would be quite as possible anywhere in the United States were it not for the organized and slanderous resistance of the great vested Utilities interests.

Municipal operation of various public utilities has had heartening results. City light and gas plants have not consistently failed, as the Negative would have us believe.

Enemies of public ownership have taken the worst cases of new plants, which started up under difficulties, and have cited them as typical of the inefficiency of government ownership of utilities. The great private utilities corporations do all in their power to make it more difficult for cities successfully to operate their own plants, and then misinterpret reports of operation in an attempt to discredit government ownership. It is well then to take the evidence of the Negative with a grain of salt.

Los Angeles has a light plant as good as any private one; Seattle slashed her rates by adopting public

ownership; Tacoma, Cleveland, and many others did likewise. And so it is quite apparent that municipal ventures into utilities have not been unsuccessful.

Even more success has been experienced by city water plants. As a matter of fact, if you examine a Toledo city budget you will find that in years past, returns from the municipally operated plant have been diverted and used to maintain the city garage and repair shop. In spite of adverse conditions such as these the municipally operated plant has consistently shown profits as well as charged low rates. Is this unsuccessful operation?

City governments have had phenomenal success in the operation of street railways and her lines. In a large city like Detroit, government ownership of the street car system has had amazing results. The book, *Detroit Street Railways*, shows the following interesting facts: Detroit street car fare is the second lowest in the world. The safety record is unsurpassed. less lives are lost per thousands of miles travelled. The service compares favorably with any of the other great systems of the world in regularity; comfort, equipment, etc. This is an example of a paying municipally operated utility.

San Francisco is another great city with a governmental street railway system. Not only is this system highly satisfactory from the customers' point of view, but it is even paying off the debt the road contracted while under private ownership. Success is certainly not foreign to municipal ownership and operation of

utilities even under difficulties; or for that matter, to any government administration of essential services.

The charge has been made by the Negative that, under government ownership, inefficiency prevails and individual incentive is stifled. But is this a valid objection? Let us examine our sister states, the British Commonwealth of Nations. In 1914 it was decided to lay the Pacific Cable, a cable between the dominions on the Pacific. This cable was financed by government funds and was administered by a government board. Its operation was a complete success. Mr. Amery, Minister for the Dominions, gave a very favorable report on the project before the Parliament in 1927. He said that it showed a "regular and substantial profit" sufficient to pay off the capital investment, set up reserves, and distribute profits among the Dominions concerned. A surplus was set up for the express purpose of being used to reduce rates. Mr. Amery further stated that the "main object was not profits, but service—service to the business community, and the development of inter-Imperial communications."

Again, take the case of the Munitions Industry, which was operated by the government during the late war. The Minister of Munitions, according to Sir Leo Money, "did more for the advance of British Industry in three years (the war years), than had been accomplished by private enterprise in the previous twenty years. It converted the most wasteful workers and works into efficient producers."

As a third proof of the *efficiency* of plants operating under the service motive let us examine the municipally

operated telephones in England. The charges made by the Hull municipal telephone service are the lowest in the Kingdom, yet in the year 1926-7 after paying £11,000 in royalties, the system showed a profit of £14,000. (*Daily Herald*, June 24, 1927).

The above services carried on by government operations are all extremely important, but not nearly so important as the remaining primary fields served by the public utilities. If, then, it is good to run an inter-oceanic cable, a factory, or a telephone system for service and not for profit, why is it not a good thing to provide for greater needs on a similar basis?

Why should not government ownership be as efficient as private enterprise? The usual charge made by the Negative is that if you eliminate the profit motive you destroy efficiency. But is the profit motive necessary to efficient operation? Are we to believe that doctors, hospital workers, social workers, teachers and professors serve only for the small remuneration they receive? The profit motive is vital only in the elementary stages; profit for subsistence is a great incentive, but after the first few thousands of dollars income, a service motive can very easily dominate the activities of even the most proficient. Thomas Edison cared not a rap for material gain, nor did Bell, nor Marconi. A service motive and love of one's work has in these cases produced wonderful results.

Perhaps it would be desirable to substitute service for profit as the ultimate motive in all lines of endeavor; but in the public utilities field there is an acute need for such a substitution. The craze of excess

profits has given unscrupulous entrepreneurs great windfalls in the highly monopolistic and essential services. All this at the expense of the consumer. My colleague has pointed out to you the unethical practices, the bloodsucking activities of the utilities empires, and the inherent inability of commission regulation to cope with the situation. Government ownership as advanced by the Affirmative seeks to serve the people rather than bleed them, and in so doing it can easily cure these evils.

Third Negative, Joseph Kozak
University of Toledo

LADIES AND GENTLEMEN: One of the most pertinent issues in any discussion on the advisability of public ownership of utilities is whether or not government ownership has succeeded in the past. If such ownership has been a success in general, we may assume it can secure equally good results in the future; likewise, if public ownership has proved a failure, there is no reason to believe it will succeed forthwith.

Municipal ownership of public utilities in the United States is not uncommon; therefore, we have a wealth of material on the comparative success of public and private operation in this field. No Affirmative has fulfilled its obligation in this debate by advancing a number of instances where public ownership has allegedly lowered rates, unless it can show that there is a great preponderance of such cases. This I challenge our opponents to demonstrate. I can cite a case of the

failure of municipal ownership for every case of success which our opponents might advance, and if my refutation of the contentions of the Opposition extended no further than such matched evidence, it would be sufficient to discredit the contention of the evening, that Public Ownership is preferable. Since one can obviously reach no conclusions sufficient to maintain a burden of proof by particular cases, let us resort to a general survey. Perhaps the most authentic survey of this sort is the United States Census. According to the 1932 Census, the latest available, the average rate per kilowatt hour under private ownership is 2 7c as compared to an average rate of 3 1c per kilowatt hour under municipal ownership. Farmers were charged 2.8c per kilowatt hour by private concerns and 5.6c by publically owned plants.

Thus we see that public owned plants charge substantially higher rates while *paying no taxes*. From ten to thirteen cents out of every Utility dollar is paid in taxes under private ownership. Furthermore, municipal authorities use various tricks, such as applying water plant profits on their light plant receipts, etc. to show a lower rate on the books, while private companies find it to their advantage to show all expenses, since it is on these that their rates, and thus their profits are based. As far as actual rates are concerned, most of the figures which the Affirmative cite are invalidated by the impossibility of determining the unit employed. And until such evidence is specifically set forth for each and every case cited, it is difficult to

maintain a burden of proof, to demonstrate incontestably that public ownership lowers rates.

It is claimed that municipal ownership towns charge higher rates because they lower taxes. Official state surveys by the governments of Ohio and Minnesota indicate that the opposite is true. Cities owning their light plants have 25% higher taxes than those with privately owned plants; and the indebtedness of the former is 28% higher than the latter. Similarly, in Ontario, towns with public ownership have defaulted 20% of their bonds. Municipal ownership has not yet proved its practicability.

Take the case of state governments engaging in commercial operations. How successful has the venture of state governments into business been? There have been only two states in the United States that have been rash enough to attempt such undertakings in modern times. South Dakota tried her hand recently at operating various business enterprises. According to the *Statistical Abstract of America* this state lost \$35,000,000 on these ventures. They were, of course, soon abandoned. According to the same *Abstract* South Dakota has the highest per capita debt in the United States. North Dakota tried a similar course of procedure. She lost only \$7,000,000, presumably because she operated in this field for a shorter time. Dr. Fossum in his doctor's thesis, *Agrarian Movement in North Dakota*, is authority for this information.

The provincial government of Ontario, Canada, owns and operates the great Hydro with little success. Mr. Lyon, new chairman of the Hydro is quoted in an

editorial in the *Toronto Daily Star*, July 17, 1934, as saying, "Power costing the provincial Hydro \$7,500,000 is sold to the Toronto Hydro for \$6,500,000 Even then the Toronto Hydro has an annual deficit of \$400,000 " Thus we find state governments even less qualified than city governments to operate our utilities.

The matter of the federal government's inability as a business operative is well supported by unlimited examples The United States Post Office has had deficits for eighty out of the last eighty-six years of operation. This in itself is significant, but when we consider that salaries of post office officials are not paid from postal revenues and that post office buildings are erected and kept up under the appropriations acts, we realize what a price we pay for government with its political considerations in business.

The United States government today operates a railroad in Alaska This railroad has never shown a profit, and in 1931 huge deficits brought about a Congressional investigation which revealed mismanagement, unwarranted deficits and faulty accounts.

Between 1924 and 1931 the deficits of the railroad totaled more than \$8,100,000, and for the fiscal year ending December 31, 1932, the deficit was \$412,466 75. The first objection, then, to government ownership is that it is financially unsound. The United States government has invested over seventy millions of dollars in this bottomless mire and has been repaid by deficits which require still more expenditures It seems to be a case of throwing good money after bad

In 1931 a committee was appointed to investigate

the situation. It discovered that the railroad had a rate schedule far below that of similar private roads in the territory. "The committee immediately reached the conclusion that the private roads had fair rates in effect since they were not interfered with by the Interstate Commerce Commission."—This fact brings out the second objection, that inadequate rates are charged and that operations are assured only by contributions from other sources, namely the taxpayers.

The committee also found that the Federal Railroad and its activities were conducted in an inefficient and careless manner, and that the accounting system was completely unsatisfactory. It also discovered that certain reported assets amounting to \$285,000 actually represented uncollectible accounts. The committee could not ascertain the total deficits of the government undertaking for as the report says, "the accounting office of the Railroad could not segregate them."

The United States government took over and operated the railroads of the country during the World War. Reports by Directors-general Hines and McAdoo show utter failure of government ownership at that time. \$1,600,000,000 was lost in 26 months—enough money to buy a new Ford car for every family in America! Besides this enormous loss, government ownership was characterized by poor service and an utter disregard for the railroad equipment. In fact, most of the rolling stock had to be replaced at the close of the war.

The United States government owns and operates a railroad in the Panama Canal Zone. Deficits are

constantly incurred, but we will pass over them, supposing service and not profit to be the aim. Professor Marshall Dimock, in his book on *Government Owned Enterprises in the Panama Canal Zone* brings to light some figures that make for interesting comparison with the American railroads. The investment per mile on the Panama road is three times as high as that in railroads in the Rocky Mountains of this country. The rolling stock is replaced 20% more often in the Zone than in the Rockies. Employees of the Panama railroad are paid ridiculously low wages: they average about one third of the N.R. A. minimum in this country; yet operating costs are 28.6% higher in the Zone. Apparently, government operation is not so efficient as private enterprise as far as our experience with the railroads is concerned.

Our federal government has not been alone in its failures with utilities. A Canadian business journal, the *Financial Post* indicates that the Canadian National Railway has lost \$900,000,000 in the last nine years, while the Canadian Pacific, a privately owned and operated road, has been run on a profitable basis. Other foreign roads show either deficits or static, unprogressive, and poor service. National government's unbusinesslike, inefficient, and bungling methods are further exemplified in the case of the Inland Waterways Corporation, a government project that has incurred deficits since its inception; and which, in the case of reclamation projects, is uneconomical in every sense of the word. It lost money for the government and caused chaos by stimulating over-production. Our

federal government has not been a successful operator of utilities.

City governments owning public utilities give higher rates and higher taxes; state governments lose money and show themselves incompetent when they try to run business ventures, federal governments have failed to do as well with the railroads as private concerns, and have in fact failed to demonstrate ordinary business acumen, even in the operation of such functions as postal service. Only one conclusion is possible government, federal, state, and municipal, is emphatically *not qualified*, in the light of past experience, to own and operate public utilities.

In these charges I am not attacking government *per se*. Actually, however, I am claiming that the political factors inherent in all democracies make them unfit *to run business*. This is not a remarkable or startling revelation, since democratic government was never intended to be a business agent. To make the point clearer, let us compare our government to a sturdy, well-built passenger car. It serves us well; it may pull hard and knock a little on the long steep grades, but all in all, it gives us good service. However, if we try to put the load of a freight train on our faithful car, we find it inefficient, incompetent, and wasteful; it was never intended to pull freight.

Similarly, let us not try to pile \$40,000,000,000 worth of public utilities on our government and expect it to carry such a load.

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TOWNSEND OLD AGE PENSION PLAN

An Intercollegiate Debate

TOWNSEND OLD AGE PENSION PLAN
*KANSAS STATE TEACHERS COLLEGE,
EMPORIA, VS. KANSAS STATE
COLLEGE, MANHATTAN*

A popular movement of the country such as the Townsend Old Age Pension Plan could not escape some attention in the academic debating world. Several colleges on the West Coast and in the Middle West prepared debates upon it and many of the discussions were held before the Townsend Clubs of various communities.

The speeches given here are those of two of the Kansas state colleges which met in debate on this subject. The general statement of the question was, *Resolved: That Congress should enact into law the provisions of the Townsend Plan for Old Age Pensions*.

The director of debate at Kansas State Teachers College is Professor George R. R. Pflaum and of Kansas State College, Professor Harrison B. Summeis. The speeches were collected and submitted to *Intercollegiate Debates* by Professor Pflaum.

**First Affirmative, Lewis Richardson
Kansas State Teachers College**

LADIES AND GENTLEMEN: How would you like to face life knowing that your job was secure, with the knowledge also that upon reaching the retirement age an adequate pension would be available to comfortably maintain you and your family for the remainder of your years?

This is one of the aims of the much talked of Townsend Plan.

Undoubtedly most of you have read and heard a great deal of this plan. I think you will agree that most of the literature on this issue which has such wide circulation at the present time is very definitely propaganda either for or against the plan. It will be our purpose and aim in this debate this afternoon to penetrate this blanket of propaganda, to examine the plan and its principles and implications in their true light, and to ascertain, if possible, if they are economically sound.

It may be that the very capable young men of the opposition are not far enough along in years to concern themselves unduly with old age problems, however, my colleague and I, being young men of considerable foresight, are very much concerned with the worries of old age and in consequence thereof we look with great hope and confidence to the Townsend Plan.

America is today facing the dilemma of a permanent army of unemployed. Most economists agree that through inventions, mass production, machinery, power, labor-saving devices, etc. we have created a condition in our economic order and society wherein industry and other economic activity is no longer able to absorb all of the available labor supply.

This results in permanent unemployment with all its accompanying evils. The number, of course, varies with existing conditions, but even in boom years (as in 1929) we find we had a relatively large number of men out of work. Economists agree also that unless remedial action is taken to alleviate this situation our economic order will be threatened and ultimately doomed.

We find that our government is attempting to meet this problem through public works and other relief agencies in an effort to tide the nation over to better times, whereupon we would again witness the typical business cycles and soon find ourselves again floundering in the depths of another depression. Such expedients as public works are carried on with borrowed money and no sound-thinking individual would advocate such a policy upon a permanent basis. Nor will minimum wages, half-time work, price fixing, and the like solve our ills, as we have seen in the last year or so.

How, then, do we propose to meet this problem? The answer is obvious. We would retire on a pension a portion of those now working. The persons retired would naturally be those of old age, who are no longer highly efficient or highly skilled in their tasks, those who have made their contribution to society and are now entitled to retire and to enjoy some of the pleasures of living.

This is one of the provisions of the Townsend Old Age Revolving Pension Plan, and before going further let us examine briefly the provisions of this much-talked-of and much-publicised plan.

The plan would ask the Federal Government to enact legislation to the effect that all citizens of the United States, man or woman, over the age of 60 years *may* retire on a pension of \$200.00 a month on the following conditions:

1. That they engage in no further labor, business, or profession for gain.

2. That their past life is free from habitual criminality.

3. That they take oath to, and actually do, spend within the confines of the United States the entire amount of the pension within thirty days after receiving same.

The plan would have the national government create the revolving fund by levying a general transactions tax, having the rate just high enough to produce the amount necessary to keep the old age revolving pension fund adequate to pay the monthly pensions

To have the act so drawn that the transactions tax can *only* be used for the Old Age Pension Fund.

Now let us examine the points in the plan. First—Retirement at the age of sixty. Insurance statistics show that of persons attaining the age of sixty years, 8% have achieved financial success to an extent where they are no longer dependent upon future earnings, 85% are still employed, or hope to be, and are attempting to earn a living. The remainder are dependent on public or private charity

There are approximately 10,300,000 persons over sixty years of age in the United States and of these about 8,000,000 would be eligible to receive the pension. This would provide immediate jobs for 8,000,000 men now unemployed, and in addition economists estimate that each person spending \$200.00 a month creates a job for at least one additional worker

Second—The provision for \$200.00 a month. Why such a large figure? In the first place any lesser amount would defeat the purpose of the plan. \$200.00

would not only afford a high standard of living for those who receive it, but the chief purpose of such an amount is to *cure*, or at least remedy, the depression, by stimulating purchasing power which would, in turn, stimulate industry and start the wheels of economic activity. This money would go for constructive purposes, for food, homes, rent, clothing, medical aid, for every conceivable want and need

Third—That pensioners retire without further gain from labor or profession This is a very important and essential feature of the plan in-as-much as the idea is to create jobs for our young army of unemployed and the indulgence in these monthly expenditures would, of course, create additional jobs.

Fourth—That records be free from habitual crime. The purpose of this clause is to prevent crime. Those who are tempted to take up crime as a life work will think twice before jeopardizing their future by any rash act calculated to put them in immediate funds through criminal practices when, by so doing, they would cut off any possibility of receiving the pension upon reaching retirement age.

Fifth—That the money be spent in the United States within thirty days In this manner pensioners receive only the *use* of the money This clause is for the purpose of guaranteeing a circulating medium which will greatly increase purchasing power. It is claimed that two billions of dollars spent monthly by these old folks would give the entire population of the United States an additional fourteen dollars per capita in

spending ability per month. This would raise the standard of living materially.

Sixth—Now let us consider the transaction tax. (A.) Debits of the Federal Reserve System show that transactions or business done in the United States amounts to over one hundred billions of dollars spent per month. (B.) Therefore a transaction tax of 2% on all sales would produce over \$2,000,000,000 per month or more than enough to retire 10,000,000 sixty-year-old persons on a \$200 per month pension. (C) The increase in transactions resulting from this new purchasing power would make available an even greater amount. (D.) Thus we see that in spending \$50 per month we would turn \$1.00 back to the government to finance the fund, the collection being made from a central place in each city at the end of each month by the government, just as other taxes are collected now.

Some economists object to a transactions tax in that in the past it has not been based on ability to pay. That is, the poor man pays the same tax on a loaf of bread that a rich man does. To alleviate this situation, the Townsend plan proposes to make a proportionally higher tax on luxuries. But in this plan no one would object to the payment-in-as-much as he is sure of a positive return on his investment upon reaching the retirement age.

Treasury experts who recently have been studying the sales tax see in it the only way out of their difficulties. They point out that income taxes have been stretched to the limit, as have import duties. Liquor revenue has been uncertain and disappointing. Where

else to turn for revenue? The sales tax seems to be the only untapped source of revenue. Treasury experts favor the plan from the standpoint of collection, pointing out that it can be collected more cheaply than any other form of government tax.

Tax experts and members of the important Senate Finance Committee last winter were of the belief that they had plugged every loophole and had scraped the tax barrel clean. Now in the opinion of many of these same experts, a general federal sales or transactions tax is about the only income-producing medium left to seize.

For instance, if you, Mr Merchant or Mr Laborer, go down town and purchase a dollar's worth of groceries, 2% of the purchase, or 2c would go to the government to help finance the fund. Thus the increase in the price of the groceries would be very nominal and would not work a hardship on any one. You would not be aware of paying a sales tax, you would just assume that the total amount you pay is the price of the groceries or whatever it is you are buying, just as you buy gasoline. In buying gas you don't stop to think: I am paying so much sales tax, we simply pay it thinking it is the retail price of the gasoline.

No one would object to such a nominal payment when he realizes what the tax is to be used for, that he is paying for his own old-age security and that the money he is spending will return to the community in a short time to be spent again through the monthly pensions.

So it seems that the sales tax is the only just and

equitable tax for this purpose and every individual who is to share the benefits of an old-age pension should be compelled to carry his share of the cost in such a plan in just the proportion to his ability to spend money

In summary, then, it is a fair tax, easily administered, easily collected, certain in return, and one that is not hard to pay. That, then, is a brief treatment of the plan proper.

First Negative, John J. Rhodes
Kansas State College

LADIES AND GENTLEMEN: Mr Rohm and I are glad to have this opportunity to discuss the most recent panacea which has been forced upon the attention of the American people; the Townsend Plan. As Mr Richardson puts it, it is necessary that someone penetrate the blanket of propaganda that surrounds the plan; and we shall be very happy to do what we can to present the scheme in its true light—as an unworkable, unsound, impossible scheme, that has been accepted by millions of credulous Americans as a result of one of the most persistent propaganda campaigns our country has ever known

Mr. Richardson has given us a very clear exposition of the plan, as it is outlined by its sponsors. It's merely a proposal to pay all citizens over the age of sixty, a pension of \$200 a month, the money needed to be raised by a sales tax. Now, that sounds simple and reasonable enough—until we examine the scheme

more carefully. But upon close examination, we find at least three major objections, which I shall attempt to discuss.

First of all, the amount of the pension—\$200 a month—is unreasonably high. We are not opposed to any reasonable system of pensioning those who are aged and dependent, personally, I am in favor of some system of pensions being used. But \$200 a month is impossible. There's not the slightest need for the payment of such an extravagant amount; there isn't a reputable pension expert in the United States who would set the figure necessary for comfortable living of an aged person at more than \$30 to at most \$50 a month. If Mr and Mrs Smith, who happen to have passed the age of sixty, are receiving between them \$400 00 a month, the inevitable result is that in hundreds of thousands of cases, their sons John Smith and Samuel Smith will simply give up their jobs and stay home and help the old folks spend their money. And furthermore, this \$200 a month is to be paid to every person over sixty who isn't actually doing some profitable form of labor; it is to be paid to people regardless of other income which they may have; to John D. Rockefeller and J. P. Morgan, to aged Vanderbilts and Astors, no less than to John and Mary Smith, who really may need a pension. Most of us favor the idea of pensioning the aged, but the amount of the pension should be within reason, and it should be given only to those who really need it. There is no reason to place an unbearable burden upon the taxpayer; and a pension of \$200 per month for each person over sixty

would bring the total tax burden for this purpose alone, to at least twenty-four billions of dollars a year. Certainly, the amount of the pension is unreasonably high.

Again, the Townsend scheme would be impossible from the standpoint of administration. According to a pamphlet issued by the Commission on Conflicting Taxation, it costs the states now imposing a sales tax approximately two per cent of the total revenue for expenses of collection. That would mean an expense of half a billion dollars a year for collecting the money needed for Townsend plan pensions, alone. But that would only be a beginning. The plan calls for pensions to be given to all people over sixty, with the proviso that each person must spend all of the \$200 received each month, within thirty days. Pension funds cannot be saved; the money can't be invested; it must be spent for current expenditures. But how is the government to know how each of ten million people spends every nickel every month? Perhaps our friends would suggest that the government could appoint auditors, or inspectors, or investigators, to keep track of the way the money is spent. But to keep an accurate check, we'd have to have one inspector for every person receiving a pension. A million additional government employees would hardly be enough to handle the problem. So again, the Townsend scheme proves itself impractical, in this matter of the impossibility of its administration.

My third major objection to the plan is that it calls for the needed funds to be raised by means of a transaction tax. Mr Richardson seems just a little con-

cerned about this point; he spent nearly half of his time in an attempt to justify the tax as a means of raising the money, and to show how easy it would be on the taxpayer to bear the additional tax burden. But his argument comes down to this: if we have the Townsend plan, we must have the transactions tax, because there is no other method of taxation which could possibly raise the money. Mr. Richardson himself tells us that income taxes have been stretched to the limit; that we can't secure more revenues from import duties, or property taxes, or internal revenue collections on the sale of liquor or tobacco. He's right. Every form of taxation has been used to the limit. We're now paying to the government in taxes, at least one-fourth of the total national income. And that's about all the load that our shoulders will bear. No matter what form of taxation is used, the net effect is to increase the burden; any form of taxation for this purpose is bad.

Of course, of all taxes which might be imposed, the transaction tax is characterized by economists as the least equitable. It bears more heavily upon the poor than upon the rich. Economists tell us that a tax, to be fair, should be progressive; that it should take a larger percentage of large incomes than of small, since the man who receives \$100,000 a year is better able to pay 20% tax than a man who gets only \$1000 is able to pay even 5% tax. The sales tax actually reverses this idea; according to the Commission on Taxation previously cited, the amount of tax paid per hundred dollars of income is three or four times as

great for the man with an income of \$1000 as it is for the man who receives \$50,000 or \$100,000 a year.

But what is even more important, collecting the tremendous sums needed for carrying out the Townsend scheme would increase the tax burden far beyond the bounds of possibility. Remember, each person over sixty is to receive \$200 a month; \$2400 a year. There are over 10,500,000 people in the United States over sixty years of age. At least 10,000,000 of them would be eligible to receive pensions. That makes a total cost of twenty-four billion dollars each year.

Now Mr Richardson has tried to handle this rather difficult matter in the best way possible. He has told us that total transactions amount to over one hundred billion dollars a month. I'm sure that I don't know the source of his figures. It can't be on the basis of total retail sales, for those amount to only about thirty-six billion dollars a year, or three billion dollars a month. It can't be on the basis of total bank clearings, for even these total only about ten billion dollars a month. But from some source or other, Mr. Richardson has discovered that total transactions involving a transfer of money, amount to one hundred billion dollars a month—twenty-five times as much as retail sales—so he's simply going to put a 2% tax on each transaction, and in this way raise two billion dollars a month, or his twenty-four billion dollars a year.

That sounds all right, perhaps, until Mr. Richardson goes on to say that this means that the cost of groceries and shoes and so on would be increased only two per cent. That's wrong. A tax on all transactions would

hit those groceries at least ten or fifteen or twenty times. Take each loaf of bread, for instance. The farmer who raises the wheat must pay a tax on the machinery he buys, the labor he hires, the seed wheat he purchases. He must pay a tax on the amount he pays for threshing. When he takes his wheat to the elevator, another tax is charged, when he takes the check he receives to the bank, there's another tax. The elevator operator must ship his wheat to a miller; he pays a tax on the railroad freight charge, and another on the amount he receives for the wheat. The miller transfers the wheat into flour, a tax is collected when the flour is sold to the wholesaler; another when it is sold to the retailer; still another when it is sold to the baker, another when the bread is sold to the local grocery store; and another one still when the consumer buys the bread. Tax on transactions must be collected over and over again, until the total will be more nearly thirty or forty or fifty per cent than a mere two per cent on each retail sale.

Let me express it another way. To pay the bills of the Townsend pensions, we'll need twenty-four billion dollars a year. There are one hundred twenty million people in the United States. If the twenty-four billion is spread over that number equally, that means an average tax of \$200 per year, for every man, woman, and child in the United States. In other words, the average American family will have to pay between \$800 to \$1000 a year in taxes for the support of this plan. And according to Mr. Richardson, this is only two per cent of the average family's expenditures. I'm

afraid that Mr. Richardson has been led astray; his harmless little two per cent tax will actually be increased into a burden so great that it cannot be borne.

Friends, this Townsend plan is simply a misguided attempt to take dollars out of the ordinary channels of business and pump them back again under pressure. The money used to pay the pensions has to come from somewhere. And there simply is no place from which the money can be secured. It can't be raised by the ordinary and legitimate forms of taxation; Mr. Richardson himself admits it. And it can't be raised from a sales tax; the rate of the tax would have to be so high that money needed for food and clothing would have to be taken for pensions. And for this reason alone, if no other reason existed, the people of the United States should refuse to accept any such preposterous scheme as that presented as the Townsend Plan.

Second Affirmative, Eugene Taylor
Kansas State Teachers College

LADIES AND GENTLEMEN: During the past ten minutes Mr. Rhodes has attacked the Townsend Old Age Revolving Pension Plan on the following three points:

1. The amount of the payment.
2. The difficulty in administering the plan.
3. The advisability of a transactions tax.

In dealing with the advisability of a transactions tax let us stress the point that the intent of the plan is to apply this tax solely to the one purpose of main-

taining the pensions roll until such a time as the public becomes fully assured of the beneficent and safe system of taxation involved in a universal transaction tax. Here is the only really fair system of taxation that can be inaugurated. Every person who makes use of the various social agencies that are maintained for his benefit such as schools, police protection, sanitation, public health supervision and the thousand and one various and varied functions of government should be compelled to carry his share of the costs just in proportion to his ability to do so—in proportion to his ability to spend money.

From the standpoint of collection, many treasury officials such as Prof Jacob Viner, Herman Oliphant, counsel of the treasury department, and Guy T. Helvering, collector of internal revenue, are favorable to the sales tax levy in that it can be collected more cheaply than any other form of government tax. At the present time every available tax except the sales tax is being used.

Last winter, financial experts and members of the senate finance committee were of the opinion that they had used every available tax resource. And now, according to these same men the only income producing medium left to seize is the general sales tax.

The gentleman from Manhattan in dealing with this question has left us in a maze of statistics and figures. He has, however agreed with my colleague that a transaction sales tax of 2% will net the government two billion dollars a month with which to meet these pensions. On the other hand, he has insisted that the cost

would be twenty-four billion dollars a year, and that it would be necessary for our government to raise this staggering sum. However, as Mr Richardson has pointed out, this money could be and would be paid in on a monthly basis rather than a yearly basis. This would eliminate the necessity of raising such a large sum as our opponent has based his arguments upon and would make it necessary to raise only the sum of two billion dollars per month, which sum would be self-sustaining in that it would be used over and over.

In summary then it is a fair tax, easily administered, easily collected, certain in return, and one that is not hard to pay

The purpose of the Townsend Pensions plans seems to be three fold:

1. To reduce or eliminate unemployment, which the gentlemen of the opposition have admitted the plan will do.

- 2 To create and stimulate purchasing power by putting money in circulation

3. To relieve the aged and provide for them a comfortable and enjoyable life for the remainder of their years.

The first two of these contentions have been discussed with you by Mr. Richardson and have been admitted to some extent by the gentlemen from the Kansas State College. The third provision of the plan is to retire the aged.

The reasons for such an action are so obvious and humane that the benefits of such an action do not need reviewing. The opposition have objected to paying

such a large sum monthly to the aged contending that two hundred dollars per month is unreasonable; however, in their study of this plan they have evidently been laboring under the misconception that the primary purpose of this plan is for the relief of the aged, we of the Affirmative along with the originators of this plan contend that the primary purpose of this plan is to relieve unemployment and stimulate purchasing power, and that the relief of the aged, however important and beneficent as it may be, is only secondary.

At the present time in the United States due to our scientific and modern methods of production we have a large amount of unemployment, people who are technologically unemployed because there are no jobs for them. In short, industry does not need them. Therefore, under our capitalistic system there is going to be in the future these eight to ten million people unemployed. At the present time these unemployed consist of the youth of our country who are fitted and prepared to take up their life work, while millions who are aged are struggling along in poverty. The Townsend plan proposes to let those who are aged and who have made their contribution to science and to the advancement of mankind retire and spend their remaining years in comfort, and at the same time to make way for the younger and more ambitious generation.

Most of us will agree that we have in America solved the problem of production. We are able to produce all of the food, clothes, homes, automobiles, etc that we can consume. Yet we have people poorly clad, hun-

gry, and without shelter. The problem then is a problem of distribution—how to get goods and service into the hands of the ultimate consumer. This problem we have not solved. The answer is, of course, lack or absence of purchasing power. We have no control of monetary circulation. Money circulates according to the whims and fears of the few men or institutions in control of the major portion of our money. Nor can we blame the banker for not lending on adequate security. We say that it is a prime duty of the government to insure a steady and sufficient flow of money through the arteries of trade and commerce, adequate to keep the nation on an even level or tempo. The old age revolving pension plan would be a means by which the government could assume its rightful task of keeping the nation's money in circulation. Under this plan two billions of dollars would be spent monthly by old persons in all sections of the country. This money, as has been pointed out, would reach everyone and every activity and our standard of living would be raised.

The opposition has objected to this plan by saying that two hundred dollars a month is too much, but as Dr. Townsend himself has said, "To cut the pension in two would be to cut its economic benefits in two." The persons more than sixty who receive this pension will be performing a task and a duty when they spend their pensions. Let us bear in mind that the chief purpose is to get someone to spend money, to increase the buying power of the nation.

A review of some of the benefits of the Townsend Plan for Old Age Revolving Pensions shows:

1. A huge revolving fund of purchasing power would be created and kept in circulation by the function of the United States government.

2. More jobs would be created

3. The old would be retired to enjoy life.

- 4 Higher wages to labor would be possible through the increase in activity and economic prosperity.

- 5 Assurance of a comfortable old age would eliminate hoarding.

- 6 Charity and relief expenditures would be reduced to a minimum saving approximately \$1,000,000,000 a month for the taxpayers.

7. Costs of crime would be cut in half, and in the final analysis everyone would be benefited.

This, then, Ladies and Gentlemen, is the Townsend Plan. We do not offer it as an economic panacea as it undoubtedly has its weak points. It may seem a trifle far-fetched, fantastic and Utopean upon first consideration, but it does seem to bear up well upon examination and has some striking points in its favor.

The Townsend Plan of Old Age Revolving Pensions is submitted as a constructive plan of assisting the President in his program for National Recovery and Prosperity. Public endorsement is, of course, necessary before this plan may be seriously considered by our Congress

Second Negative, Paul Rohm
Kansas State College

LADIES AND GENTLEMEN: The gentleman who has just spoken told us that one of the benefits of the Townsend Plan is that we would save a billion dollars a month in money now paid for charity and relief. Apparently he assumes that everyone or nearly everyone receiving charity or on the relief rolls today is over sixty and therefore entitled to the pension. That is a very mistaken assumption, however; the great majority of those who are on relief today are under sixty. Men who reach the age of forty or forty-five are unable to secure work in many fields because of their age; there are millions of middle-aged and young men who are on relief. My friend claims entirely too much of a reduction in the costs of charity. But even if he were correct, his plan would be to raise the relief expenditures from one billion a month—which is from two to three times the actual figure—to two billion dollars a month. I am unable to see the economy in that.

Next, we are told that the cost of crime would be cut in half. This too rests on a rather broad assumption—the assumption that most of our prison population is made up of habitual criminals. We know that most of the people who are in jail are not habitual criminals, but petty offenders charged with drunkenness, careless driving, vagrancy, disturbing the peace, and similar offences. In New York City in 1931, for instance, only 14,358 of the 477,423 people arrested, were

charged with felonies, and according to the Townsend program, only people who have been convicted of felonies three times or more are to be considered as habitual criminals. Our large crime bill does not come from the costs of maintaining penal institutions, but largely from the costs of supporting local city and county jails. So again, it is a false assumption to suggest that our crime bill could be cut in half by adopting the Townsend plan.

The only other advantage claimed for the Townsend plan is that it would solve our economic difficulties. We are told by the modest gentlemen who advocate the plan that all that we have to do is to adopt the scheme, and prosperity will immediately return. Mr. Taylor tells us that this is true, because if the plan is adopted, purchasing power will be increased. All these people over sixty, who aren't spending any money today, will have \$200 a month each to spend; there'll be a tremendous flood of buying; more goods will be needed; factory wheels will turn more rapidly, unemployed men will be called back to work; and we'll experience a degree of prosperity our nation has never before known.

That sounds reasonable, as Mr. Taylor presented it. But evidently Mr. Taylor is not a student of economics, or he would know that the basic premise of the whole argument, is false. There will be no increase in purchasing power. You cannot increase purchasing power by taking money from one group and giving it to another; that process merely transfers purchasing power.

Of course, I cannot blame Mr. Taylor for making

the claim that the Townsend scheme will increase purchasing power, because the whole principle of the plan is based upon that assumption. Mr. Townsend himself has stated, "The basic principle of the Townsend plan is to put more money into circulation, and thereby increase the purchasing power of the nation. Trade and commerce would boom and no depression could occur as long as several billions of dollars reached the channels of trade through the pension each month "

But advocates of the plan forget that the increased purchasing power of the pensioners must be paid for by the rest of the taxpayers. Every time one of those favored "over sixty's" receives \$200, that \$200 is taken from men under sixty. The old become the privileged class, but the rest have lower purchasing power.

Suppose we have a town of one hundred people, in which there are ten men over sixty. Let us set the average purchasing power of each person in this community at \$500 a year—that is a liberal amount compared to the average for the entire United States. That makes the total purchasing power of all of the one hundred people in the town, \$50,000 a year. But if we adopt the Townsend plan in that town, the ten men over sixty are to receive \$200 a month each as pension, or \$2400 a year. That makes a total for the ten pensioners of \$24,000 which must be paid them each year. But where is that \$24,000 to come from? It is to be collected in the form of taxes, whether by sales tax, property tax, income tax, or any other system you may name. The town must raise that fund of \$24,000 a year to pay out to the pensioners. So the

purchasing power of the remaining ninety citizens is reduced by that \$24,000; the total purchasing power of the town still remains \$50,000, but now the pensioners receive and spend \$24,000 of it, and the less fortunate ninety have only the remaining \$26,000 to spend, or instead of \$500, only about \$290 each.

Exactly the same situation will prevail in any governmental unit, whether county, state, or nation. We have about 120,000,000 people in the country, and about 10,000,000 eligible to receive pensions under the Townsend plan. In other words, under the Townsend system, one-twelfth of the population is to be supported by the other eleven-twelfths. But as in our imaginary little town of one hundred people, the gain in purchasing power for those over sixty is offset by the loss in purchasing power of those who pay the taxes. Total purchasing power remains exactly as it was before.

So the basic principle of the Townsend plan, that it will increase purchasing power, simply does not hold true. And if the basic principle isn't true, then of course the benefits claimed as a result of the plan's operation, would not occur. How can business be stimulated by the plan, if there is no increase in purchasing power? Of course, demand for luxury goods might be increased, but only at the expense of demand for necessities. For the average man, not yet sixty years of age, the tax burden would be so heavy that the standard of living would be lowered.

So much for the supposed benefits of the plan. Now let us turn once more to the very practical problem of

how the money is to be raised I'd like to remind our friends from Emporia that right now, the federal government is having all that it can do to raise five or six billion dollars a year for the running expenses of government and for relief. We're raising only about three billions a year through taxation; the rest is borrowed. During the World War, taxation and borrowing combined were sufficient to raise only about fifteen billion dollars in any one year. The Townsend plan calls for an expenditure for pensions, of twenty-four billion dollars, in addition to our present budget of five or six billions. This gives us a total of thirty billions a year, which will have to be raised through taxation, if the Townsend plan is adopted. And that, friends, is about \$250 per year for every person in the United States.

Now, how is the money to be raised for financing the Townsend pensions? On this point, Dr. Townsend is somewhat vague. At first he told us that we would have a 10% tax on retail sales; but when his attention was called to the fact that retail sales total only about thirty-five billion dollars a year, and that his 10% tax would produce only about one-seventh of the money that would be needed, he was forced to change his ground. So now he advocates the two per cent tax on transactions, as the gentlemen from Emporia have suggested. But as Mr. Rhodes has pointed out, even this would be intolerable, if it proves sufficient to raise the money.

Of course, a two per cent tax even on transactions would not produce twenty-four billion dollars a year.

Bank clearings give us the only accurate index of the volume of commercial transactions, and at the present time, bank clearings total only about two hundred billion dollars a year. To raise twenty-four billions, through a tax on transactions, then, would require a tax of from 10 to 12 per cent on every sale, every payment for services, every commercial transaction of any kind in which money changes hands or a promise to pay is made.

According to the magazine, *Time*, when a member of Congress objected to Dr. Townsend that a two per cent tax would not raise the money needed, and that a 20% tax would be needed, Dr. Townsend readily agreed. "You are right," he said, smiling, "but who would care about that?" Well, I can tell him who would care about that. The people of the United States would care; because after all, the amount to be raised will total at least \$200 for every man, woman and child in the country, from \$800 to \$1000 for each family. How many families can stand such a burden? Certainly, the great majority of families cannot. Even back in the boom days of 1928 and 1929, more than eighty per cent of the families of the United States had an income of less than \$1500 a year. And from such an income, a deduction of \$800 to \$1000 to pay pensions is simply unthinkable.

At the present time, the total income of all of the people in the United States is less than fifty billion dollars a year. Even back in the prosperous days of 1929, it was estimated at only about eighty billion dollars. Now, if we take away from this total income,

the sum of twenty-four billion to finance a Townsend plan, it's going to leave us very little to spend for our own necessities. Every time you spend a dollar for groceries, you'll have to pay from fifty cents to a dollar extra, for sales tax, to take care of Dr Townsend's pensioners. And that means that your standard of living, and mine, will be much lower than it is even today. The dollars we will have to spend on food and clothing and rent and heat will be cut almost in half.

This idea of paying everyone a pension of \$200 a month sounds splendid, of course I would like to receive it; so would you. But the trouble of it is, such a plan can't be financed. And so, because it will produce absolutely none of the benefits claimed, and because it cannot be financed, we are strongly opposed to the scheme known as the Townsend plan.

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UNICAMERAL SYSTEM OF
STATE LEGISLATURE

An Interstate Debate

UNICAMERAL SYSTEM OF STATE LEGISLATURE

UNIVERSITY OF SOUTH DAKOTA AFFIRMATIVE, VS. UNIVERSITY OF KANSAS NEGATIVE

The adoption by the State of Nebraska of the Unicameral System of State Legislature made a discussion of this subject by neighboring states a timely and interesting affair. The debate given here is one occasioned by the resultant discussion, and was held by the debaters of the two state universities of South Dakota and Kansas at Vermillion, South Dakota, before the morning convocation of the University of South Dakota. A bill providing for such a legislature was pending in South Dakota.

The proposition was phrased, *Resolved That the several states should adopt in principle the Nebraska plan of a unicameral legislature*

The debate was decided by the critic judge plan and the decision of the judge, Professor Karl E. Mundt of the Eastern State Teachers College of South Dakota at Madison is included.

The speeches were collected and submitted by Professor Dallas C. Dickey, Director of Debate at the University of South Dakota, the Kansas debaters and director of debate, Professor E. C. Buehler, co-operating.

**First Affirmative, Robert Bogue
University of South Dakota**

LADIES AND GENTLEMEN: My colleague and I wish to express a personal happiness and pride in welcoming the two gentlemen from Kansas. We had the pleasure

of dining with them last night, and in the common college vernacular they are "good fellows."

I believe that we are all familiar with the attitude of the American public towards bicameral, or two house legislation. From our entrance into the first grade until we graduate from high school, we find in all of our text books an adherence to this method of legislation

If this were a sound and rational principle, and not a rationalistic one, as my colleague and I believe it to be, why do we not find two boards of directors in our large banks and corporations? Why do our cities not have two boards of aldermen? Why is our Supreme Court not divided into two equal branches? Why has Nebraska had the courage to break away from the fold and adopt unicameralism? And why did the Wisconsin Senate a day or two ago adopt a resolution providing for one house legislation?

I have in my hand two excerpts from daily papers of last week. From the *Sioux Falls Argus Leader*: "What a break! What a break! Iowa legislature to take a ten-day recess." In the *Des Moines Register* this interesting comment was found in a telegram from two Texas representatives to friends in Oklahoma: "We have been in session two months and have not done a blankety-blank thing either "

Why, in the face of its rejection in business and in government, and in the face of constant daily discontent, do we retain the bicameral method of legislation?

Before I answer that question, I should like to pause for a moment to review the resolution. The question is: Resolved: that the several states should adopt, in

principle, the Nebraska plan of a unicameral legislature. This naturally absolves the Affirmative from proving that the Nebraska plan in detail should be adopted and the debate resolves itself into a debate upon the merits of one house legislation against the merits of two house legislation.

But to continue with the unanswered question. England was the first country to adopt the two house method of parliamentary procedure, but its adoption in England was an historical accident. When both the noblemen and the townsmen, who had been rapidly gaining in wealth and power, were called before the king to solve the question of taxation, the noblemen cocked disdainful eyebrows at these members of a lower class, and sent them to an adjoining room to discuss their problem by themselves. Such, Ladies and Gentlemen, was the ironic but actual beginning of bicameralism.

When the colonies were constructing their governments, it was only natural that they should turn to the mother country, England, and follow her through force of habit. In America today, however, any justification which bicameralism might have found in the representation of two separate classes has disappeared for we are a people composed essentially of one class. Moreover, there is often no difference in the terms of office of the two houses; the qualifications for membership are the same; and the jurisdiction is the same. The only thing to which we can attribute the retaining of bicameralism is historical precedent. This adherence to two house legislation which our school system in-

doctrinates has caused a fear of a change from which escape is difficult

In spite of this lack of logical basis for bicameralism, and in spite of constant discontent, my colleague and I would not advocate a change to unicameralism were it not for certain defects in bicameralism—defects which we believe can be eliminated only with the abolition of the second house itself. There are three: 1. The conference committee, 2 Unnecessary procedure, 3 Lack of responsibility

Let us consider the conference committee The existence of an arbitrary body to settle the differences between the two houses is an essential and ever present organ of bicameralism. Every bill, upon which there is disagreement, is sent to the conference committee to iron out the difficulty and thus save endless haggling.

The conference committee is usually composed of six men—three from the house and three from the senate. The meetings of this group are held in secret, and there is no record kept of its proceedings Hence arises the first evil of the conference committee—the inability to trace responsibility.

The vote of the conference committee is controlled by a majority, not of the whole committee, but of the representatives from either the house or the senate. In a conference committee of six men, two men may control the bill, either by inserting jokers or by refusing the bill in its entirety. This method of voting offers a splendid opportunity for the control of legislation by special interest because they can concentrate their at-

tention upon two men instead of upon the legislature as a whole.

Another constructive fault of the conference committee is the necessary arbitrary acceptance of the bill by the two chambers of the legislature without modification or change. I say necessary because were it not this way the argument and differences might start all over again and there would be endless haggling. The evil arising from this fault is that such procedure insures the acceptance of the "jokers" with legislation. The legislators, in the consideration of the referred bill, are faced with the problem of accepting the bad with the good, or of rejecting the good with the bad.

A second great evil in bicameralism is the unnecessary procedure. First, in its inception, a bill must pass through an unnecessarily large and complicated series of steps. What really happens according to a first year man in the New York legislature is: "You sneak up to the desk and drop into a slot your bill. By bothering the clerk the next day you can find what committee it has been referred to. If you are a member of that committee there is a good chance to get it reported because other members will want your vote on their bills. If not, you are a hundred to one shot."

The complexity of procedure at a bill's inception is only a starter. Ogg and Ray, eminent political scientists, point out that there are sixteen separate and distinct steps from a bill's inception to its emergence as law.

This unnecessary procedure produces two very defi-

nite evils: 1. Easy control by special interest, 2. The passage of hasty and ill-considered legislation

Every additional step of procedure offers another opening for the attention and control of special interests. Ex-governor Hodges of Kansas, in reference to this point remarks:

“Powerful private interests find their best shelter behind the multiplicity of barriers, and politicians have no desire to make plain the rules of the game, while reformers generally attack inefficiency by adding some new office or board of control ”

Because a bill must pass from one house to another, through their committees and through the conference committee, there is ample opportunity to “lose” the bill—temporarily or permanently. If the bill is shelved or sidetracked temporarily, it is rushed through in the closing hours of the session with little or no consideration. I need only to point to this last session of our South Dakota legislature to illustrate this indictment vividly. The legislature spent all but the last two days discussing the Homestake Gold Mine taxation problem, and left two or three hundred bills to be rushed through in the closing hours of its session. Nebraska offers a pertinent illustration of the permanent losing or shelving of a bill. In that state recently a bill regarding the assessment of intangible personalty received ninety-nine out of one hundred votes in the house and was referred to a senate committee. The committee didn’t report on the bill, and yet no particular rumpus was raised.

The third great evil in bicameralism, that lack of responsibility, is very fundamentally rooted in the bifurcated method of legislation. It is axiomatic that you cannot focus a spotlight upon two objects at the same time. So it is with public attention. Public attention cannot be focused upon two houses with equal attention upon both houses at the same time. Consequently one of the two will enjoy a practically free and unrestrained hand in the fulfillment of its duties.

A contributing factor to this lack of responsibility is the existence of too many legislators. Architects have an axiom that the human eye cannot without conscious enumeration assimilate a series of more than five entities. So it is with our legislators. The public conceives of them as an endless mass rather than a group of individuals with minds of their own. It is true that bicameralism may be modified and hence aided in increasing responsibility, but bicameralism must always have at least twice as many legislators, and it must always have this split of public attention.

The lack of responsibility is increased also by "passing the buck" between legislators and between the two houses. If I were a legislator from this country, I might suggest legislation which I knew would please my local constituency but which would be detrimental to the state as a whole. Consequently, I introduce the bill, and at the same time bargain and jockey with my friends in the other house to defeat the bill when it is presented to them.

A similar shifting of responsibility occurs between the two houses. One house passes a bill, according to

Garner, Professor of Political Science at Illinois University, which is a bill, popular in approval, but unwise in conception, this leaves to the other house the problem of incurring public disapproval or of passing unwise legislation.

This lack of responsibility, because of division and size of the bodies, and because of the shifting of responsibility between men and between houses, combined with the existence of the conference committee and the unnecessary procedure, gives rise to a veritable fog of legislation through which no one can possibly penetrate to fix or pin responsibility.

I have tried to show you this morning that bicameralism is the result of authority begotten and blind prejudice begotten custom, and not the development of any sound governmental principle.

My colleague will show you that the most complete and the only logical solution to the evils of bicameralism, namely, the conference committee, the unnecessary procedure and the lack of responsibility, is the adoption of unicameral legislation.

**First Negative, Phil Bramwell
University of Kansas**

LADIES AND GENTLEMEN: It gives my colleague and me great pleasure to be here this morning to debate this question with the forensic team of the University of South Dakota. We came recently from the South where it is spring. As we journeyed north we hit a blizzard at Omaha and zero weather here in Vermillion.

We have been cold ever since we left Kansas. Just as the situation looked the darkest we remembered that the reputation of South Dakota is such that undoubtedly we would receive a warm reception and forensic battle. You see, Mr. Chairman and Opponents, we wish to return a few flowers from those bouquets you have so graciously thrown to us.

Upon our arrival at the hall this morning we found that there had been some misunderstanding as to the statement of the question for debate. Mr. Bogue, in his constructive speech, made it quite clear why this change from the conventional statement. It now reads, *Resolved That the several states should adopt in principle the Nebraska plan of the unicameral legislature.* Even this wording leaves the burden of proof on the Affirmative for they must substantiate two points: *First*, they must show that the bicameral system has broken down, that is, that there is a definite need for a change; and *second*, that the unicameral plan embraces enough advantages that they will warrant the expense and trouble of making the change from the bicameral to the unicameral plan.

In opening my constructive argument this morning, I wish to point out that the bicameral system is not only as good as the unicameral, but that it has some inherent factors which are superior to any offered by the unicameral plan. Mr. Bogue talked with you at some length of the fear held in the hearts of a constituency for a bicameral legislature and indicated that this mistrust held for all legislative bodies. In this we are in agreement with our opponents. It brings up one of

the essential parts of any governmental structure. I speak of a system of direct checks upon the legislative body.

Let us weigh the possibility of checks in the two systems. When our opponents pointed out the existence and activity of the conference committee they admitted one check in the bicameral plan. That is the check that one house has over the actions of the other. The only way that a bill ever reaches a conference committee is to have it rejected by one house or the other. This means that the bill was passed by one house, sent to the other and this other house, not being satisfied with it, sent it for further consideration. This system makes possible a degree of consideration and revision impossible under the single chamber house

In considering further direct checks, under the unicameral plan a piece of legislation after leaving the originating house has only one check and that is the veto power of the governor. In other words the bicameral system offers two direct checks on legislation to the unicameral's one.

The mere fact that there is a greater check under the bicameral plan than under the form offered by the Opposition, seems a trifle when we consider the added checking advantage offered by the present system which lies inherently in the type of check used. Today we do not have to be satisfied with only a Negative or destructive direct check which the new plan offers. The governor under the single house plan must veto a bill *in toto* or pass it *in toto*. He cannot, unless you wish to intrust him with the power of partial veto,

strike out parts of a bill and pass the essentially good part of the legislation. Can you see the possibilities for tacking on riders to bills which are of purely sectional benefit? He is forced to pass these riders along with the bill to get any legislation through at all. Now under the present plan, a bill originates in one house and perhaps, as often is the case, a few riders are tacked on to it. It goes to the other house, and they can strike out the riders and send it back for passage in that form. Herein lies the positive or constructive check which is inherent in a two house system.

I wish to put this question to my opponents and I ask that they answer it in their next speech, "Do you plan to give the Governor under the new plan a partial veto?" I ask for an answer to this question because there is even a greater danger in giving this power to one man under a one house system than there is in leaving his veto power *in voto*.

In further attacking the unicameral plan I would like to point out historical examples of failures. Mr Bogue went back into the archives and recalled the uprisings against state legislatures. Let us again look at the history of this country. The plan which our opponents are advocating this morning is not being used at the present time in any state in the union. Three times it has been tried in three different states in this country, in the very unit of government in which they wish to put it into effect. Three times this form of state government has been found wanting and thrown out in favor of the bicameral plan. The records of Georgia and Pennsylvania show that a unicameral system of

government was used for twelve years in these commonwealths and then discarded. New Hampshire gave the unicameral system even a more conclusive test by using it for a period of thirty-six years before being forced to discard it for a better type of legislature. It was not just a demand for a change, but a definite breakdown in the existing form which caused the change. Kent in his *Contemporary Legislatures* says, "The instability and passion which marked the proceedings of the single house led to much mal-legislation."

Mr Bogue in his attempt to prove the weakness of the bicameral system quoted several legislators as saying, "We have been in session several weeks and have not accomplished a single thing." This could easily be the expression of political sentiment for it is a well-known fact that in a Republican controlled assembly the Democrats will criticize, while in a Democratic controlled house the Republicans will criticize. Kent on the other hand is a noted authority and is looking backward with an unbiased view.

You will remember that the speaker just preceding me asked, "Just why has Nebraska had the courage and nerve to adopt this system?" I'll grant that it would take a lot of nerve for any people to attempt to govern themselves with such a system, but in Nebraska it was not a united demand for a new type of government coupled with a unanimous cry for a unicameral form of government that caused the change, but an outgrowth of the general uneasiness of the people during a period of economic and social unrest. Let me

call Lane W. Landcaster, Professor of Law at the University of Nebraska, who stated that, "The movement in Nebraska for the unicameral system arose as a sign of the uneasiness of the people."

In summary: the present bicameral plan has a greater and superior check over direct legislation; the unicameral system has already been tried in this country and has been found wanting; and, never has the bicameral system failed even in the state of Nebraska.

Second Affirmative, Vernon Lyon
University of South Dakota

LADIES AND GENTLEMEN: Shall we examine for a moment the case as it was constructed and interpreted by my colleague and as it was met by Mr. Bramwell?

My colleague pointed out that the question which we are discussing this morning concerns the *principle* of the unicameral plan of legislation. The speaker who has just relinquished the floor has said that we are dodging our burden of proof. What my colleague really said was that we do not have the task of working out the details of a plan. To do so would result in endless controversy and unnecessary quibbling. We simply have the burden of advancing the broad principle of the one house plan of state government, and if we succeed in doing that, we will be quite content to rest our case.

Mr. Bramwell then stated that it is necessary for us to show how the bicameral system has broken down. This my colleague did with every breath he took. He

pointed out that the conference committee gives rise to certain definite evils which contribute to the breakdown of the bicameral system. He called your attention to the unnecessary procedure which contributes to the breakdown of bicameral legislation, and lastly he stressed the lack of responsibility which has been a part cause of the breakdown of bicameralism. And how were those arguments met?

It is the duty of the Affirmative to mark out the field of verbal battle. It is the duty of the Negative to meet them on that ground. We marked out a three acre field, each acre figuratively representing an argument. The gentlemen from Kansas would evidently rather overlook those acres and retreat into the forest where they can take pot shots at us from the trees. They have ignored the Affirmative case in all essential respects, and have built a case independent of and apart from it. What were those arguments?

It appears to Mr. Bramwell that the bicameral system has a superior checking power, that the second house tends to restrain the first house in the passage of injudicious legislation. In this regard we wish to make clear three things. First, the check which a second house has is negligible as to quantity. Second, the principal checking instrumentality, the conference committee, produces vicious evils. Third, there are other checks in a democracy which would be effective in restraining the proposed unicameral house.

We learn in most of our high school civics books that our government is one involving the separation of powers and "checks and balances." We have been so

long indoctrinated with the old idea that the second house provides a check that it is only with difficulty that we change our notions. Senator Norris has referred to the system as one under which the politicians get the checks and the special interests get the balance.

In regard to our first point, it has been found that the quantity of the check upon hasty legislation is very small. Thus, Ogg and Ray, in their work, *Introduction to American Government*, tell us that in the state of New York, "Of 1036 bills passed by the New York Senate in 1910, only 69 were rejected by the lower house, or assembly; and of 1120 passed by the assembly, only 161 were rejected by the Senate. . . . Even this low mortality rate might have been significant if the defeated bills had proposed radical changes in public policy. As a matter of fact, they were unimportant measures."

In other words, what little checking of hasty legislation that was done, did not affect the important measures, which as we have seen, are invariably left to the last moment and passed in a frenzy of excitement.

Now as to the second point, you will remember that my colleague took some pains to show the evils of the conference committee. Whenever the two houses cannot agree upon a bill, it goes to this small group for compromise. It meets in secret. Two members can control it. These two members can withhold their approval of any measure until their particular interests are served, and thus jokers and riders slip into legis-

lation. So the very check which they maintain exists as a device for procuring wise legislation, must achieve its expression in a committee which we have condemned as one of the greatest weaknesses of the bicameral structure.

Thirdly, we submit to you that there are other and equally effective checks in a democracy which would act in shaping and in passing upon the legislative product of the unicameral house. We all know what they are. The governor's veto, the influence of the press, the fear of the next election, the initiative, referendum and recall, the power of judicial review and constitutional guarantees. There are many more, but these will suffice to dispel the fear of the good gentlemen from Kansas that a unicameral legislature will be an unbridled legislature. Many of these checks, such as the press, the fear of the next election and the pressure of diverse interests groups, are active upon a bill while it is being shaped. Thus they act as inner, constructive checks. They prevent the *enactment* of unsound legislation. The other checks prevent the *perpetuation* of unsound legislation.

In view of all these things, it is apparent that the check exerted by a second house, such as it is, is not only unnecessary but evil. Under a unicameral plan, intelligent legislation could be evolved much more expediently, and the single house, being a more responsive body, would be better able to express the will of the people. If perchance it did not do so, it could easily be made to harmonize with the wishes of the

electorate by use of the checks which they have the ability and right to exercise.

May I go further in pointing out some of the advantages of a unicameral system?

Broadly speaking, we believe in simplification, within certain limits, as a method of rendering our state legislatures more efficient organs of government. Woodrow Wilson has said: "Simplify your process and you will begin to control; complicate it and you will get farther and farther away from control."

The most expedient and best method of achieving that result lies in abolishing the second house. With it will automatically fall the evils to which it has given rise. A gardener would not attempt to eradicate a barberry bush by cutting off the leaves. He would uproot it and prevent its growth. That is the method which we propose to use in improving our state legislatures. We feel that abolishing the second house would have three chief results. It would bring, first, increased responsibility, second, increased economy and third, increased efficiency.

As to responsibility, we have shown the impossibility of locating it under the present system. Public attention is divided between two houses. Attention could much more readily be fixed upon one house than upon two, and would doubtless result in a stimulus to public interest in their own affairs. With a system made responsible, under the merciless glare of publicity and public attention, there would be less trading of votes among members, and none at all between two houses. The well-worn phrase, "You work for my bill

in your house, and I will work for your bill in mine," would die a natural death. This practice is so common in most state legislatures that it reminds me of the young lady who was so knock-kneed that at every step one knee would have to say to the other, "You let me pass this time, and I'll let you pass next time," etc. Such nefarious practices would be materially lessened under our plan.

We further believe that our plan is more economical. We reduce the size of the legislature, and we automatically reduce the number of salaries which must be paid, not only to the representatives themselves, but to the countless clerks and hirelings. This saving could be applied to lengthening the session of the legislature so that bills would be passed less hastily, and each measure given better and longer consideration. Thus could the unicameral legislature do away with the kind of haste that makes waste.

Now lastly, we advance the argument that our plan has the advantage of greater efficiency. Dr John Mabry Mathews of the Purdue Political Science Department, has said that "the bicameral system is so complicated that it cannot be expected that the legislature will be efficient." We propose simplification of the legislative process as a device for inducing greater efficiency.

May I point out that all of the various defects which the gentleman from Kansas saw in unicameralism have been challenged. On the other hand, we feel justified in saying that our case as it was presented by Mr Bogue has so far escaped unhurt. We ask the gentle-

men finally, to please meet us upon the grounds which we have endeavored to mark out.

Second Negative, Hugh A. Randall
University of Kansas

LADIES AND GENTLEMEN: The gentlemen of the Opposition have made one demand on us this morning and that is that we meet them in their three-acre field. First of all, the gentlemen proceeded to lay out this three-acre field and then the second gentleman obligingly eliminated one entire acre of this tract. That is, the first Affirmative speaker, Mr. Bogue, pointed out that the first acre was the conference committee. The second Affirmative speaker, Mr. Lyon, in his constructive argument emphasized that in the bicameral system you do not have any effective check. Gentlemen, you must realize that if a bill ever gets to a conference committee there is no doubt as to its having been checked by one of the deliberative bodies of the two house legislature; so, we merely ask the gentlemen to stand upon one of the two issues. Either that there is a conference committee and an effective check or that there is no conference committee and no check. If they maintain that the check does not exist in the bicameral system, then the first acre of their field is entirely eliminated.

Now let us plow up the other two acres. The Affirmative claim that there is an unnecessary amount of procedure in the bicameral form. The gentlemen did not tell you that many states have already simpli-

fied their procedure, and most of the others are rapidly following suit. Procedure rules are not maintained and enforced by statutes in the several states, but are house rules of the separate bodies and, as such, are easily changed. As these procedural rules are being so rapidly simplified, we of the Negative submit that they are not inherent in the bicameral form and in their full extent constitute only minor defects of our present system.

Next, let us review the last and most important acre of this field. The Affirmative maintain that there is a lack of responsibility in the bicameral form of government and that, under the bicameral form, responsibility shifts from one house to the other. We of the Negative submit that this same bicameral system is more responsive to the will of the people in that it better represents all of the people and that the individual representatives are directly responsible to their constituencies. We must first of all understand that the bicameral system is composed of two legislative bodies. First, the larger house, popularly termed the House of Representatives, whose members represent districts within the state. These districts are small and the representatives as a result are answerable to small groups of people. Then we have the smaller house, popularly termed the Senate, whose representation is based upon population and whose districts are proportionately large. According to W. F. Willoughby, a prominent political scientist, forty-three of the forty-eight states have this two house representation incorporated in their bicameral systems. Now in order to illustrate

exactly how this bicameral system functions, I am going to use as an example the progress of the recent 3 2 beer bill in the Kansas legislature. I use this beer bill as an example because it is a recent and well-known piece of attempted legislation, although any bill in any state could be easily applied to this situation.

The University of Kansas is quite locally connected with two representative districts. The representative of one of these districts is a Mr. George Melvin, a prominent lawyer in the city of Lawrence. The representative of the other district is a Mr. Gerstenberger, a prominent farmer living farther down the Kaw Valley. Now when the Kansas Beer Bill came before the House of Representatives, Mr. Melvin, representing the supposed voice of his constituency, voted in favor of 3 2 beer. Mr. Gerstenberger, on the other hand, representing his farm constituency, voted against the beer bill. The total individual voices of all the representative districts in Kansas decided that the Beer Bill should be defeated in the House. Now for the sake of argument, let us suppose that the bill had passed the House of Representatives. Immediately this vote would be broadcast to the people of Kansas by radio, it would be printed in the newspapers, and all of the other organs of public communication would be used to transport this news to the far corners of the state.

This bill, after passing the House, would be placed upon the docket of the Senate to be voted upon twenty or thirty days hence. During this interim the people of Kansas suddenly realize that unless some active step be taken, Kansas would legalize 3.2 beer. They

would communicate with their senators and instruct them how to vote when that bill came up for consideration in the Senate. For example, if the people of Lawrence were not satisfied when their representative, Mr. Melvin, voted for the Beer Bill, and wished that bill to be defeated, they would write Senator C. E. Friend of their district and instruct him to vote against the bill in the Senate. I am sure even the gentlemen of the Opposition will admit that if the 3.2 beer bill had not been defeated in the House of Representatives, it would subsequently have been defeated in the Senate.

Now let us see the progress of the 3.2 beer bill under the unicameral system. It would be introduced in the one chamber house and, because at that stage it would be comparatively unimportant, it would not be publicized to any great extent. It would be immediately referred to a committee and after remaining in the committee's hands for five days, in a spirit of passion and enthusiasm it would be brought upon the floor of the House and passed by that body. Then the radios and the newspapers would inform the people that Kansas had already legally authorized 3.2 beer. And then, as the gentleman has so obligingly pointed out, the only recourse that the people of this state would have would be to vote down three years hence that representative who misinterpreted the voice of his constituency. Now we simply ask this question: Under which system of government is there more responsiveness to the will of the people, under the bicameral plan, where you place the finger of responsibility upon your senator before he ever votes, or, under the unicameral plan, where re-

sponsibility is placed after your representative has voted, when the damage has been wreaked, and the only recourse is to wait three years for a new election. We submit that the bicameral plan is certainly more responsive to the will of the people than is the unicameral system.

The gentlemen this morning, like Plato, are advocating a plan that will work in every place at all times and under every kind of a condition. As the first speaker for the Affirmative has previously stated, we are discussing the practicability of the *several* states adopting this unicameral plan. We of the Negative submit that all the states of this union do not have a dominant interest as do the states of South Dakota, Nebraska, and Kansas. For example, let us look at the situation in the state of New York. Definitely, there are two dominating interests. First, farming, and second, commercial enterprises. The farming interests of upstate New York somewhat control the House of Representatives. The commercial interests maintain a control in the Senate. Now the bicameral system gives these two dominating interests an equal voice in state government. The unicameral plan, on the other hand, would necessarily submit one of these two interests to the control of the other, as only one could control a single chambered legislature. Other states, such as Ohio, have a farming and industrial conflict. Pennsylvania has a commercial and mining conflict. Many states have a debtor-creditor variance. One can easily see that under the unicameral plan it

would certainly be undemocratic to subjugate the voice of one dominant interest to the other.

The situation is even worse than it appears. It so happens that Mr. A. M. Armstrong made a survey of the state of Nebraska for the business clubs of that state. He found, after careful analysis, that more than one-half of the legislature of the new unicameral house were going to represent business interests in Nebraska. I think even the Opposition will admit that Nebraska is essentially an agriculture state. Yet the unicameral plan is going to force the dominating interest in Nebraska to subjugate itself to a minority influence. We simply ask the gentlemen to explain how the unicameral plan can possibly be more responsive to the will of the people, when it does not adequately represent that will.

Now we have shown that the bicameral system first of all is more efficient in that legislation is more deliberate due to the theory of legislative check. Also, that the bicameral plan is more responsive to the will of the people in that it better represents both majority and minority interests, and that the representatives are directly answerable to their individual constituencies. Upon these issues, we of the Negative maintain that the several states should not adopt the unicameral system of legislature. In the final instance, we ask you to consider this fact: If there are any defects in the bicameral system which we of the Negative have overlooked this morning, are they weighty enough and worthy enough to justify overthrowing our present system that has worked successfully for a period of one

hundred fifty years, and supplant it with a system that has never operated successfully in these United States?

Upon these issues, we of the Negative rest our case.

First Negative Rebuttal, Phil Bramwell
University of Kansas

LADIES AND GENTLEMEN. The gentlemen of the Opposition have stated that they have had me up in the woods throughout the debate. While I was there I climbed a nice tall pine tree and looked down on their three-acre field and noticed many weaknesses in their arguments.

In the first place, they have stated that there is a definite evil in the conference committee. Let us look at this conference committee. It grew out of the necessity for some compromising agency between the two houses. It was set up by a rules committee in either house. It is merely an agency for expediency. What is to keep a rules committee under the new plan, for surely unless chaos reigns they will have some means of order, from giving the same powers to committees created in the necessity for expediency in the unicameral system?

The greatest evil of the conference committee brought out by the Opposition is its rule of secrecy. Any committee under the new system can be given this same power; in fact, in the amendment passed in Nebraska there is a definite stipulation that it is at the discretion of the speaker and the members of the committee whether or not the actions of that committee

will be secret. This evil, if it be one, is inherent in both plans.

Mr. Bogue stated that there were sixteen steps which a bill must pass through before final adoption under the bicameral plan. Later he spoke at some length about the hasty legislation. Mr. Bogue wishes to do away with some of these revisory steps and then he cries out to do away with hasty legislation. There is a definite inconsistency here. Mr. Bogue, are you arguing with or against us?

The Opposition has brought out the fact that there were other factors checking the actions of any legislature whether it be unicameral or bicameral. I thought in college, and speaking to a college audience, that it was unnecessary to bring these up. We all realize that they exist, but I thought I made it clear that I was speaking of direct checks on legislative action and not delayed checks such as have been advocated by my opponent. The constitutional restrictions, the divers interests groups, the re-election check all operate just as effectively under either plan. The fact stands out that we do need a check and a constructive check on legislation and this can only be provided under the bicameral system with its two-house feature of constructive as well as destructive checks.

The South Dakota debaters mentioned this point of economy. In actual money expended the outlay will be the same. Nebraska plans to spend the same amount of money in salaries, but to divide it among thirty instead of one hundred fifty men. This gives them a full-time job at seven hundred fifty dollars a

year. There would be further clerk hire, because some of the work now done by the representatives themselves would have to be done by secretaries. There would be the same amount of legislation, you must remember. The greater expense would come to the candidate for office himself, for it would take a far greater outlay to campaign to sixty thousand people than to six or seven thousand. This would be especially true if the nonpartisan feature is at all successful and the representative cannot depend on the party to meet some of his expenses. This added expense would make the candidate more open to control by big business interests who would gladly foot the bills of campaigning for favors from the candidate while in office

**First Affirmative Rebuttal, Robert Bogue
University of South Dakota**

LADIES AND GENTLEMEN: It seems that this debate has diverged from the true issues, and because of the divergence, I should like to clear away some of the smoke of battle and really analyze the points around which this debate hinges.

The Negative has asserted that bicameralism is indispensable because it exerts a check upon hasty legislation. But, we of the Affirmative point out the error in this reasoning. Theoretically, the check which a second house exerts is, without doubt, a benefit; but in practice the results are different. The second house uses its right to check infrequently, and passes most of the bills passed by the first house as a matter of

habit. In New York, according to Ogg and Ray, only 13% of the bills were rejected in the second house. Even this percentage would have been meaningful had the bills been of importance, but as a matter of fact, they were bills of only minor consequence

Not only is this inner check ineffective, but it occasions a definite evil in causing a greater frequency of deadlocks. The legislative process is slowed, causing a flood of bills to be rushed through in the closing hours of the session. Again, I take as example our own previously mentioned South Dakota legislature; its deadlock over the Homestake Gold Mine resulted in a mad last minute rush of legislation.

Further, Ladies and Gentlemen, let us not forget the ample checking system otherwise at work in our democracy. J. S. Mill, an old proponent of bicameralism, remarked that he could see little good in the check which the legislature exerted in a democracy otherwise unchecked. And we certainly have an adequate check upon legislation, other than the second house. There is the fear of the coming election, (a very potent influence); the incessant clamor of the press; initiative; referendum, recall, constitutional guarantees; and executive veto.

When an instrument has become ineffective, when it has become harmful, as has the second house, since there are sufficient other means to obtain even its theoretical good, then it ought to be eradicated.

The Negative has indicted unicameralism because it won't give fair representation to the "poor" farmer. In the first place their fundamental tenet is incorrect. Our

country is not divided into two separate and distinct camps waiting to jump at each other's throat at the slightest provocation. Our interests are inconceivably complex and intertwined. What may be good for certain farmers may be bad for others. The same is true of the urban population.

But, assume for the purpose of argument that we have the two groups fighting against each other, and in certain rare cases this might be conceivable. In Chicago, for example, where there has been some difference of opinion, what has happened? Were the farmers in Illinois underrepresented? I should say not. Chicago was so grossly discriminated against that the city seriously considered becoming a separate state. Surely the system of representation in unicameralism could be no more discriminatory than the present system.

There is always a question as to whether the majority should rule or should be defeated, but no matter how perfect your theory of representation may be, you can't have representative government unless you have responsible government. Because my colleague and I cannot see how the example of *possible* responsibility in bicameralism rules out our fundamental objections to it—objections which are apparent in all the legislatures, but more active in some than in others: namely, the lack of direct responsibility because of a necessarily larger group, and because of the split of public attention, the constant shifting of responsibility—at least between the two houses, if not between members—the conference committee, and the unnecessary procedure totaling, as I have pointed out, a maze of legisla-

tive procedure, we can't help concluding that a greater degree of responsibility would certainly be achieved in unicameralism.

The Negative say that unicameralism will lead to executive dominance. Have they shown any causal relationship between the existence of executive dominance and unicameralism? I think not. There will be no executive dominance if the people won't stand for it and if they will sanction dictatorship, the fact that the legislature is divided into two branches will not be any deterrent. It didn't stop Huey Long in Louisiana.

But let us consider the attack made upon our case as presented. The Negative with some spasm of weird reasoning, which I can't comprehend, have told you that there will still be a conference committee in unicameralism, and that they would rather modify and improve the committee as it exists today. To answer the last point first you may without doubt improve the conference committee, but it is that old story of the barberry bush all over again. When we can so easily eradicate it and hence prevent any future re-occurrence of the evil why try to improve it, and never be assured that the evil won't again crop up?

The first point is, as I said, incomprehensible. There will be committees for the introduction of bills, as there are today, but the conference committee will be eradicated because of its very nature. It is a compromise committee to settle difference between the two houses and if there are not two houses, there are no differences between them; and if there are no differ-

ences, then the duty of the conference committee will disappear and it with it

The fact that there will be necessarily twice as much procedure as before has remained untouched, and the evils of special interest control and the passage of unwise legislation remain with it.

The lack of responsibility has been a center of some argument, but, as I pointed out earlier, I cannot see how our fundamental tenets are destroyed. Any cause and result relationship in social science necessarily is a tendency. Merely because we find one example which is an exception to the tendency, the case in Kansas, does not destroy the tendency. We can't see that the Negative have sufficiently answered this point with cold rational reasoning.

In conclusion, Ladies and Gentlemen, because the objections to unicameralism, and the benefits of bicameralism are so easily disposed of, and because our fundamental propositions are really uninjured, I cannot but come to the conclusion that the adoption of the one house system of legislation would be a wise and judicious legislative reform.

Second Negative Rebuttal, Hugh A. Randall
University of Kansas

LADIES AND GENTLEMEN: We have found that the gentlemen are still maintaining their three-acre field. In order to more or less clarify this debate, I am going to show the three-acre field of the gentlemen and the case we have advanced to oppose it.

First of all, the gentlemen still maintain that there would be a conference committee and that it would be very detrimental. They also maintain that there would be no check under the bicameral theory and they used the illustration of New York, saying that sixty-nine bills were checked in the House, and one hundred sixty-one in the Senate. We have shown that these two statements are inconsistent with each other, yet the gentlemen are determined to stand upon both issues. Therefore we submit that the conference committee as previously explained by my colleague is not detrimental and that there is an effective check. The isolated example of the checking function of New York used by the Affirmative is not upheld by the Federal Statistical Bureau. The Bureau states that 30% of the bills of each house are checked by the other in Maryland, Pennsylvania, and many other states in the union. Thus, of all bills passed in the bicameral houses, there is a 60% check of the two houses together.

Thus we submit the check effectively functions in the bicameral system.

Let us take the second acre of this field, unnecessary procedure. We have shown that it is not prevalent in all the states and that most of the states have simplified a lot of this unnecessary procedure. We beg of the gentlemen not to blame the whole system because the state of South Dakota still has a lot of unnecessary steps in securing legislation.

Finally, let us consider the third and last acre of responsibility. The Affirmative have stated that a

member of the House of Representatives will vote for a bill because his constituents would want him to, presuming without right that the representative would know the wishes of his constituency. Then he would go to the other house and ask a friend there to vote against the bill.

We submit that this so-called evil is not remedied by any manner of means in the unicameral house. On the other hand, instead of going over to a strange group of men and asking a member there to vote against the bill because he wanted him to, he merely turns to his neighbor and trades votes with him on the undesirable legislation.

Using the illustration of the knock-kneed man advanced by the Affirmative, one bone in the leg merely turns to his brother bone to effect an agreement to pass and thus does not have to bridge the gap between the two legs.

Now, let me summarize the two cases. The Affirmative have not shown in this debate that there is a definite need for a change from the bicameral to the unicameral plan. They have not shown how the unicameral system is more responsive to the will of the people, nor how the responsibility is more easily placed under the unicameral plan, which has been one of the major contentions in their case. Finally, the Affirmative have not shown how the unicameral plan is more efficient than the deliberative bicameral system with its important checking function.

We of the Negative have shown that there is no definite need for a change from the bicameral plan and

that even Nebraska is only changing because of the uneasiness of the people and not because the bicameral system has failed. We have further shown that the bicameral system is the more efficient of the two as it is slower and more deliberate and because the check system makes for a better type of legislation and prevents any despotic control of one house. Finally, we have shown that the bicameral plan is more responsive to the will of the people as it represents both majority and minority interests, and the representatives are more directly responsible to their individual constituencies.

Upon these issues, we submit that the several states should not adopt the unicameral system of legislature

Second Affirmative Rebuttal, Vernon Lyon
University of South Dakota

LADIES AND GENTLEMEN: Shall we clear up for your benefit, and for ours, some of the difficulties in which we have become involved during the course of this debate.

Mr. Bramwell, who admittedly spent the early moments of the debate in a pine tree, feels that the Affirmative has been guilty of an inconsistency, in that my colleague described the conference committee as an evil, thus admitting the existence of a check. Whereupon I told you that the check of the second house is negligible. The gentlemen assert that either one or the other of those things, but not both, must be true. But actually, what I said was not that the second

house is totally non-operative as a check, but that the check that it has, is not exercised to its fullest, and that when it is exercised, it tends to produce the evils which arise out of the hidden workings of the conference committee.

Now Mr. Randall has spent considerable time in discussing the devious path of the beer bill in his home state of Kansas. He has told you that the 32 beer bill was delayed in its passage by the slow-moving bicameral legislature of Kansas, and that this delay stimulated public interest in the bill. Newspaper stories concerning the measure were splashed all over the front pages of the daily press, and by the application of fantastic logic he feels that under a unicameral system such items would be relegated to the inner pages. Thus, he concludes, there could be no responsibility under a unicameral plan.

Although we cannot deny that the result described might have been reached in the isolated example which he gave, still we must remember that in most cases, as my colleague pointed out, the very complexity of the bicameral structure makes the fixing of responsibility impossible, and no government which is irresponsible can be representative.

Approximately three hundred miles away, the South Dakota legislature is engaged in the final supposedly deliberative day of this session. The calendar is piled high with important measures which must be hastily considered and hastily passed. There will doubtless be omnibus roll calls, and many measures will be steamrolled through. The revenue bill, perhaps the

most important single legislative item, must be patched up and passed before midnight. And these same legislators have spent the early weeks of the session in systematically doing nothing. Would a farmer hire forty hands to discuss the crop outlook for thirty days and then harvest the grain on the last day? We think not, but that is precisely what our cumbersome bicameral legislatures are doing. Obviously the check upon legislation, and the time given for the crystallization of public opinion must be negligible.

Our adversaries fear that the single house will not sufficiently represent the rural voter. They say that in Nebraska the business interests are going to have more than 50% of the representation, and thus the poor farmer will be imposed upon. As though the interests of the business world were not the interests of the agricultural world! If the farmers are devastated by drouth, business men are affected by the plight of the farmers; if the business men suffer loss, or if the banks fail, the farmers are affected. Their interests are one. Nothing has made that fact more plain than our late lamented depression.

Sir Arthur Salter emphasized this when he wrote. "The depression is proving beyond question that the common interests of mankind are overwhelmingly greater than their divergent, competitive interests."

That point is made even more definite by the statement contained in the monthly letter on economic conditions issued by a prominent New York bank in April of 1930, which said: "What has happened to the farmers has happened also to the people who live in

the small towns immediately dependent upon the farms, and to these have been gradually added the number of unemployed in all the industries, as the decrease in buying power has spread. . . . Never has there been a clearer demonstration that the basis of prosperity is equitable exchange relations." Applying this to our opponents stand, we can but conclude that if the farmer *is* imposed upon in Nebraska the business man will cut his own throat That possibility is not great

We have repeatedly mentioned the fact that a unicameral system of government would not be an unchecked system. We have pointed to the executive veto, to the press, to the voter who may use the weapon of the ballot as a constructive check or the weapon of the initiative, referendum and recall as a negative check, and simply because we learned of those checks in the seventh grade is no reason why we should forget them in college.

Mr. Randall sees in the one house plan simply a way of making vote trading easier We at no time meant to imply that vote trading would be totally abolished under our plan. But the most subversive type of trading is that which goes on BETWEEN the two houses. It is our contention that that most insidious type of trading would be substantially reduced, and it is upon that basis, and upon that basis alone, that we justify our proposal in this regard

Shifting responsibility from house to house, passing the buck from Senator to Representative, and the great

American game of legislative ping-pong would be eliminated

Thus do we catch a glimpse of the other side of the picture as painted for you by the gentleman from Kansas. May I remind you in closing that precious little has been done in challenging what were our fundamental tenets, namely, the opportunity for control by a few in the conference committee, the necessarily complicated and muddled procedure in the entire two house organization, and the lack of responsibility. These are basic deficiencies which can only be done away with by the abolition of the second house. We feel that our state legislatures should be responsive organs of government, that they should be sensitive to the wishes of the electorate, and we submit to you that a unicameral plan such as the one we have advanced would be a distinct step forward in the attainment of that democratic ideal.

Judge's Decision, Karl E. Mundt
Eastern State Teachers College

LADIES AND GENTLEMEN: This debate has been a very interesting debate to me particularly because it was marked by a certain amount of informality and humor which is all too frequently lacking in the typical intercollegiate decision debate between American institutions. This debate was replete with audience contact material and many definite attempts were made to stimulate the attention and interest of the auditors.

Too frequently speakers in a decision debate feel

that they must hew so rigidly to an argumentative attack that they fail entirely to carry the audience along with them by making the debate interesting as well as intense. Of course it is easy to overdo the use of irony and humor in a debate and in one or two cases this morning I felt the use of such material was a bit overdone, but, even so, I would rather listen to a debate of that type than one which entirely ignores the use of such thoroughly effective weapons of argumentation as humor, irony, analogy, and figures of speech. I liked the informality and communicativeness displayed by both teams in this morning's debate, and I consider it a good model of how the modern debate must be argued if we are going to attract audiences to listen to our intercollegiate debates.

The speech technique used by the two teams this morning was also a splendid example of effective platform speaking, so let us look to the interchange of the arguments themselves in order to determine the winner of this morning's debate.

The Affirmative pointed out several alleged defects in the system of bicameral legislatures and the Negative took up these points one by one and attempted to disprove the alleged deficiencies. The Affirmative pointed to the Conference Committee as one of its prime reasons for desiring to change from the bicameral system pointing out on the one hand that a great many bills were forced into the Conference Committee for revision, while on the other hand they sought to minimize the check which bicameralism imposes upon legislation by arguing that the same elements which

control legislation in one house are likely to control it in the other. To this argument the Negative offered the somewhat obvious and rather effective rejoinder that, in itself, the very fact that a great many bills are forced into the Conference Committee indicated that bicameralism does place a check upon hasty legislation.

To the argument that the bicameral system involves a large amount of unnecessary procedure the Negative pointed out that the modification of the rules of procedure in no way necessitated the adoption of the unicameral system.

As the debate progressed the matter of fixing responsibility upon the shoulders of the legislators and the matter of enabling the constituents of the legislator to make their desires known to him came to be the pivotal points in this contest. The Affirmative held that under the bicameral system it was difficult to fix responsibility and that responsiveness to public opinion was slow and uncertain. The Negative countered with a practical illustration to show how under bicameralism the fixation of the responsibility and the responsiveness to public opinion both functioned during the consideration of the Beer Bill in the Kansas legislature. In my opinion the Affirmative missed the salient point of this argument and I was disappointed by their failure to attempt to refute the fundamental premises set up by the Negative through the lengthy use of this illustration. Through the failure of the Affirmative to attack the argument that the delay resulting in the passage of legislation under bicameralism gave opportunity for responsibilities to be fixed and responsive-

ness to take place, the advantage on these two pivotal arguments rests with the Negative.

The Negative also contended in this debate that the unicameral system has never proved successful except in the case of a few despotisms and they made the startling statement that in all its previous trials in the United States it has always been discarded as unworkable and impractical. In any argument the lessons of history cannot be entirely ignored. The Affirmative should have referred to these previous American experiences with unicameralism and in some way should have shown that the conditions leading to their abandonment were not analogous with those which confront the country today.

This was a close debate; it was a well argued debate; it was a splendid example of two good teams engaging in the forensic struggle and by-play which goes to make up an exhilarating debate. In my opinion at the conclusion of the debate the preponderance of evidence was amassed by the speakers from Kansas and so I award my decision to the Negative.

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LIMITATION OF INCOMES AND
INHERITANCES

Colorado Tournament Championship Debate

LIMITATION OF INCOMES AND INHERITANCES

UTAH UNIVERSITY AFFIRMATIVE AND NEGATIVE

In the Rocky Mountain Forensic League tournament held in October 1934 the Utah University team coached by C. LaVerne Bane won the championship with six straight victories. The speeches used by the team on both sides are given here. The contests were held at the Colorado Agricultural College, Fort Collins, Colorado.

The subject used was stated, *Resolved: That the federal government should set a maximum limit on inheritances and incomes.*

The Utah speeches were assembled and contributed to *Intercollegiate Debates* by the Director of Debate, Professor LaVerne Bane.

First Affirmative, D. Ray Owen
University of Utah

LADIES AND GENTLEMEN: In discussing this question, "*Resolved: That the Federal Government should set a maximum limit on inheritances and incomes,*" we of the Affirmative wish to point out that the disparity between the goods which labor is allowed to produce and the goods which labor is allowed to consume is one of the major causes of our present economic difficulties.

That this disparity exists can be seen from the following statistics: approximately 10% of the people of the United States control 90% of the total wealth and about 1% of the people control nearly 10% of the

wealth. According to the *Statistical Abstract* for 1933, 15,000 persons, or about 3/10 of 1% of the workers in this country received over \$50,000 in 1930 while more than 50% of the workers received less than \$1500 during the same period. It is estimated that labor receives enough compensation for its work to buy back about 60% of what it produces and that the other 40% is taken by the owners and capitalists in the form of interest and profits.

This 40% is, for the most part, not used for the purchase of consumptive goods, but for the expansion of productive facilities. Stuart Chase says, in the *Nation* for July 25, 1934, "After deducting living expenses . . . the pleasure and duty of the capitalist has been to invest the balance in more means of production, the incomes from which has been further reinvested, ad infinitum."

So we see that there is a real disparity and that the workers and consumers of the nation are not able to buy back what they produce. On the other hand, those people who earn over \$50,000 a year are not able to spend all their earnings for the purpose of buying consumers' goods. After a man with such a large income has secured food and clothes for his family, after he has built and maintained a home, after he has educated his children, in fact, after he has provided for every reasonable want for himself and his family, he will still have money left, and what can he do with that money? To reinvest it has been his logical step in the past, but the reinvestment has only resulted in

further profits which must, in turn, be reinvested, thereby producing more surplus earnings.

As a matter of fact, that is exactly what did happen in this country from 1914 to 1929.

The expanding markets both at home and abroad provided an outlet for our goods, and each time, the profits were returned and reinvested for the purpose of producing more of the same commodities; but with the conclusion of the World War and the slowing up of industrial expansion the world over, the manufacturers were forced to try to sell all their goods in a market where only 60% of the returns was being spent for the consumption of those goods and the other 40% was being reinvested for the purpose of producing a larger supply of goods. Investment and the ability to produce had so outstripped the ability to consume that in 1929, as pointed out by Stuart Chase, the United States was capable of producing over eight million automobiles a year, whereas the whole world consumed in that, the best automobile year, only 6 million units. We were capable of producing more than twice as many pairs of shoes than we used in 1929. The industrial magnets had so rapidly reinvested their earnings that the oil, coal, and steel industries were developed to the point where they were able to produce nearly double the amount that was normally consumed, and despite these facts, men continued, and still continue, to invest in fields where there is no need for additional capital. We read that at the present time Henry Ford is building a new factory in order to produce more

automobiles when we are already able to produce more cars than the whole world can buy.

In a frantic search to create new markets, the manufacturers temporarily put off the disaster by resorting to the practice of installment selling, and the consumers were persuaded to mortgage their future earnings in order to buy the goods of the present, until it is estimated that in the last years of prosperity about 40% of the wages of the laborers of the United States was pledged to pay for goods bought in the past. Suddenly the credit men realized that this could not continue, that they must restrict credit and attempt to collect what had already been sold. When they did that, we were face to face with a problem. Overproduction, in spite of attempts at curtailment, was the immediate result, unemployment followed, and with unemployment the further restriction of the buying power of the consumers. The stock market crashed. The failure of businesses and banks followed in rapid succession, and as a result, we have today about 5,000,000 families depending upon charity for their living, and nearly 5,000,000 more who are not securing regular employment.

These people have no purchasing power whatsoever, except what they receive from the government, and yet, on the other hand, we still have in the United States some 10,000 persons who are receiving over \$50,000 a year, and who must look to further investments for the purpose of using that excess capital

It is the contention of the Affirmative that we should drain off that excess capital, which is being used for

the purpose of over-capitalization, and that that money should be diverted to channels where it will be of the most use to the people of this nation. It should be used to make possible the consumption of goods rather than for the production of goods which we cannot consume.

In order to accomplish this end, we of the Affirmative propose that the federal government should increase the income tax rates to 100% on all inheritances over \$500,000. Enforcement would be as it is today under the direction of the Attorney General.

In order to increase the effectiveness of the tax and to plug up some of the present loopholes in the income tax, it might be advisable to adopt certain phases of the English government's methods of taxation and collection. If the opponents wish, my colleague will develop this point further.

In regard to the possibility that some persons might attempt to evade the tax by allowing their earnings to remain as reserves in corporations, we wish to call your attention to a law which was passed in 1923 and appears in the U. S. Code Annotated, volume 121, which provided that in case persons should attempt to evade the income tax by leaving part of their incomes as reserves in corporations, those reserves would be subject to full tax. And the fact that such excess reserves appear in corporations shall be *prima facie* evidence of an attempt to evade the law.

Concerning the possibility that the capitalists might attempt to liquidate and flee from the country with their holding; we do not feel that such an attempt is

likely on any large scale, but if the problem does arise, we might very well extend some of President Roosevelt's regulations concerning the exportation of gold to include regulation of the transfer of all money and securities. A control of this sort is being exercised in Germany at the present time. My colleague will also take up this point if it becomes necessary.

In conclusion, I have shown that a disparity exists between the goods that labor is allowed to produce and the goods that labor is allowed to consume that this disparity causes over investment and over-production on the one hand and under-consumption on the other, and that these were important factors in causing our present economic difficulties. I have also presented a plan which we of the Affirmative believe would lessen that disparity, which would drain off that excess capital, which is now used where it is not needed, and place it where it would do the most good. My colleague will explain the mechanical details of the plan.

First Negative, D. Ray Owen
University of Utah

LADIES AND GENTLEMEN: The speaker for the Affirmative has told us why we are in this depression and how he thinks we might get out of it. By his plan the maximum amount that any person would be allowed to earn in one year would be \$50,000 and any earnings over that amount would be immediately confiscated by the government. If we apply this plan to a situation with which we are well acquainted, we can

readily see the multitude of difficulties that would arise.

Nearly every person in this room is either a teacher of speech or a student of that subject. Suppose that this were a speech class, and that the teachers were to stand before this class and outline his course something like this: "In order to pass this course in speech, each one of you students must make three satisfactory speeches, and if you make those three speeches I will give you a 'C' mark for the course. But if you want to make more than three speeches, four or five, for example, I will allow you to do so, but you will not receive credit for that extra work. I will give the credit to some poor fellow who is either too lazy or incompetent to give three satisfactory speeches."

If we were confronted with that sort of a class in our colleges, what would we do? Most of us would do one of two things. If we were interested in getting good marks, as interested as many people are in getting money, some of us would cajole the teacher into making exceptions in our cases so we could get "A" marks. Others of us would certainly withdraw from the class and go to some other teacher who awarded grades on the basis of merit and achievement, while those of us who remained would stop working when we had made our three speeches.

So it would be in the business world if this system were adopted. A great many people, if faced with the necessity of paying the confiscatory tax, would attempt to cheat or to evade the law. At the present time, through evasions and exemptions, we are not collecting more than one-half of the income taxes which should

accrue to the government. The astounding fact that J. P. Morgan and other multi-millionaires were able to evade the income tax in the United States, notably in 1932, when Mr. Morgan paid no tax at all serves to illustrate the loopholes that exist; and the Affirmative proposes to apply these same laws for the purpose of enforcing their plan, under which the inducement to evade will be much greater than it is today.

If some of the rich men of the nation could be prevented from, or were too honest to cheat or evade this new law, they, like us, would search for other means, and other opportunities for business activity. And since these opportunities are by no means limited to the United States, many of these men would take their capital and move to foreign countries where the opportunity for expansion and profit would be much greater than they would be in this country under the plan of the Affirmative.

In a recent issue of the *New York Times*, it was reported that Governor Balzar of Nevada was highly pleased that many of the large industries, insurance companies, etc., had written to him concerning the kind of treatment their companies would receive in his state if they were forced to move from California because of the election of Upton Sinclair. Yet even Upton Sinclair is not radical enough to advocate the absolute limitation of incomes as our Affirmative friends have done. These industries of California were threatening to move from the state of California simply because Sinclair had proposed a higher income and inheritance tax. If they and the other large industries

were confronted with a total confiscation of all individual earnings over \$50,000 a year, they would certainly pack up and leave, taking whatever could be liquidated; but the greatest loss would be of the men themselves since they are, in the aggregate, the most brilliant and ingenious industrial executives in the world.

And now if a man refused to cheat, and if for some reason he did not want to leave the United States, there would be the one course left for him. When his yearly income was made, rather than remain and work and slave so that he could produce an income that would be immediately confiscated, he would stop working. When most of the men had made their yearly income, it would be foolish to expect them to continue to struggle and work when they could just as well take a vacation and enjoy the income that was theirs; and most of them would do just that. This discouraging of the industrial and business leaders of the nation could not help but react to the detriment of the whole nation's business.

Under stringent and unfair regulations, the leaders of the nation could not be expected to act much differently than we would act, most of them would either cheat or move or stop working.

Furthermore, there is one other consideration which should most certainly be taken up, and which the Affirmative has so far in the debate avoided. Just exactly how much money could be diverted from the rich to the poor if this plan were put into effect?

If we take the total income of those 15,000 persons who earned over \$50,000 in 1930, as reported in the

income tax returns for that year, and make all the exemptions that the present laws allow, and subtract the amount that is at present being collected by the government in the form of taxes, and leave each one of those persons the \$50,000 which he would be entitled to, there would be less than a billion dollars for the government to take. In other words, if the government had kept the plan an absolute secret so that no one would have been tempted to cheat or move or stop work and had suddenly swooped down on the night of December 31, 1930, and confiscated all incomes over \$50,000 it might have succeeded in seizing that amount, but that was in the year of 1930 and since then the incomes in the higher brackets have fallen off by over 50%. Then if we subtract the amount that would undoubtedly be lost through evasion, movement of capital, and especially through the refusal of people to work for nothing, the undertaking would yield such a small amount that it would hardly be worth the bother. And then if we subtract, as we must, the enormous cost of administering and enforcing such a scheme, it might even be possible that the government would not be able to collect enough to pay the expenses of collection.

In conclusion, what sort of a plan have the Affirmative presented to us for the solution of a difficult problem? A plan which will encourage the real earners and leaders of the nation to attempt, by unethical means, to keep that which is rightfully theirs, a plan which will drive the capital out of this country and encourage the best people of our nation to seek other

fields for their executive achievements, a plan which will discourage enterprise and individual initiative; and will provide no reward for extraordinary business and industrial leadership, and finally a plan which in a year, like 1934, might not only fail to realize the desired result of producing revenue for redistribution, but might even result in added expenses to the government.

Second Affirmative, Omar B. Bunnell
University of Utah

LADIES AND GENTLEMEN: The speaker for the Negative has objected to our plan because he believes that speech students would refuse to give speeches unless a number of "A's" and "B's" were given out by the professor, whereas much of the recent discussion on education seems to indicate that many of the leaders in the field believe that the giving of such rewards is a pernicious system and should be abolished as it has been in many schools. In our college classes, we believe that the most worth-while students are those who work, not for grades, but for the sheer joy of accomplishment, and the respect and honor of their fellows. The gentleman who just spoke of his willingness to spend the time and energy necessary to prepare and deliver this debate has demonstrated the fallacy of his own argument. If he and the rest of us are willing to spend hours for the personal satisfaction, or other reward that debating gives us, we should be willing to help our fellow men for the same reasons.

Profits are not the only motives which impel men

to achieve great things. Edison worked night and day in his laboratory in order to perfect some new invention. At one time Henry Ford gave up a job on the farm for which he received \$10 a week for a job working on machinery which paid only \$2 50 a week, because he loved to work on machinery. It is inconceivable that Burbank would have quit because he could earn no more than \$50,000 a year. Those people who are working for the good of mankind and the love of their work will continue to work, and as for the rest, if they stop working when they reach the \$50,000 level their inactivity will provide jobs for others who now hold lesser executive positions. Certainly with twelve million unemployed, a plan which would furnish a few more jobs would be entirely welcome.

The speaker for the Negative attempted to prove that some people will try to evade the law. Undoubtedly some of them will, but in pointing out that J. P. Morgan was able to evade the income tax in the United States the last speaker failed to give us the rest of the facts: while Mr. Morgan did not pay any income taxes in the country in 1930, the English Government did collect income taxes from him in that year.

My colleague suggested in his speech that in order to plug up some of the holes in our present income tax laws it might be advisable to adopt certain features of the English methods of tax assessment and collection. One of the features which the United States should certainly adopt is the consideration of what is called "Capital Income." Under this provision in the English laws, Mr. Morgan was not allowed to deduct

his losses on the stock market from his other income, and therefore, he was liable to the income tax. But in the United States, we allow these deductions and were unable to collect any income tax from J. P. Morgan in 1930.

Other reforms should include the consideration of the family as a unit so that a millionaire may not divide his income among the members of his family and thus evade the tax. We in this country could also well afford to adopt the method of collecting the tax at the source, wherever possible. For instance, if a man were to receive a large pay check or dividend, the company making the payment would be required to deduct the tax and send it to the government immediately.

Concerning the point made by the Negative that capital would leave the country; this is highly improbable, because it would be difficult for any one whose holdings were large enough to come under this plan to sell out and realize enough to make it worth while; especially if, as our opponents contend, every one else were trying to do the same thing. Then too, the economic conditions in other countries are not sufficiently stable and prosperous to attract capital from this country. The *Business Week* for January 5, 1934, reviews the conditions abroad as follows: England—money is being loaned at less than $\frac{1}{2}$ of 1% (not much opportunity for capital there); France—deflation continues, business is not rising from the low levels it reached last year; Germany—further losses in foreign trade cause both government and business men to fear the future; Japan—the movement of the government into

the automobile business is threatening to drive out foreign capital invested in that industry, and the government's interference in the operation of foreign-owned oil wells in Manchuria threatens a diplomatic crisis. So reports come from all over the world: poor economic conditions and government regulations discourage foreign capital.

But, if the time ever arrived when conditions became so much better abroad than they are here that our capital would be tempted to move, my colleague has pointed out that we could very well extend the regulations placed on the export of gold from this country to include a strict regulation of all foreign exchange transactions.

The last speaker made one other point which should also be considered. He reached the conclusion that little or nothing would be collected as a result of the application of the tax. But I wish to point out that we of the Affirmative are interested primarily in diverting the surplus capital which has produced over capitalization into consumer channels, where it will do the most good. We wish to increase the utility of this income.

Under our plan the diversion might be accomplished in two ways: first, the government could collect it and spend it for the purpose of employing men on public work projects in much the same manner as it is using at the present time; second, by the capitalists themselves diverting at least a portion of their excess earning by paying them out in the form of wages to their employees, or by distributing a portion of them to

charity, or, in some other way, diverting them into consuming channels. In the case of inheritances, which the Negative has so far failed to attack, the rich person would have to distribute his estate, if it were a large one, among a great number of people. Thus, while the government would be saved the trouble and expense of collection, the desired end would be accomplished because the purchasing power would have been distributed among those in the lower salary bracket, who would use a larger percentage of it for the purchase of consumptive goods.

A few years ago Congress passed a bill that anyone who employed child labor would be subject to a 10% tax on all profits. Congress did not hope to get any money from the tax, but it hoped to induce the industrialists to "avoid" the law by refusing to hire children, and our law would work in the same way. The judgment passed by the supreme court that the law was unconstitutional prevented its operation, but it illustrates the method by which we hope to accomplish our goal.

Whether the surplus is collected and distributed to the needy by the government or whether the capitalists themselves choose to distribute the money would make little difference to the economic welfare of the people of the United States. The facts stand that: there was in 1930 over one billion dollars which could have been used to a much better advantage. This amount, which has been arrived at by the Negative team, would provide an increased purchasing power equal to \$200 a year for every family which is on relief today; and

to say that that amount is insufficient is to refuse to face the facts.

In conclusion, the Affirmative has shown that a disparity exists between productive and consumptive power, and that this disparity can be materially lessened by limitation of inheritances and incomes. By the Negative's own figures, at least a billion dollars could have been diverted in 1930 from the income provisions of our plan which does not count the amount which would have been affected by the inheritance tax. The diversion of this amount would have greatly increased the purchasing power of the lower classes, and, at the same time, lessened the amount which was spent for the purpose of producing goods, thereby solving, at least in part, that great problem of over-production and under-consumption with which we are so perplexed today.

Second Negative, Omar B. Bunnel
University of Utah

LADIES AND GENTLEMEN: The gentlemen of the Affirmative have proceeded on the assumption that the best way to get out of the depression is to penalize those people who are best able to invest their capital in new business and industrial undertakings.

It is interesting to note that a large number of the most prominent economic authorities agree that the only way to stimulate recovery is to encourage what are called the "capital" or durable goods industries, those industries which produce steel, machinery, and other products which are, in turn, used to produce con-

sumer's goods. And the only way these industries can be stimulated is to encourage large scale investments in factories and in new equipment replacing those now obsolete. Much of the machinery and many of the production facilities which we invested in and up to 1929, are now old and out of date. Since the depression, many of our large capitalists have refused to buy new machinery and to build new factories to replace worn-out ones, and, as a result, those industries engaged in the production of durable goods have suffered greatly.

According to the American Federation of Labor, of the 11 7 million unemployed at the present time, 10.7 millions were normally employed in the durable goods and service industries. For nearly six years, these ten million have been idle, and because they have been idle, due to lack of investment, much of the equipment of the railroads has deteriorated and is out of date, homes have been allowed to depreciate, businesses have failed to make desirable improvements.

The paradox is that while we need this investment to rehabilitate our industries and to re-employ our men, we have in savings in the Federal Reserve Member Banks over \$26,000,000 which could be used for that purpose. But, because of poor business conditions and because of the insecurity of capital, the owners of this money have refused to invest it.

The administration has realized the importance of stimulating capital goods industries by bringing this money out of hiding and the government is loaning money and even guaranteeing the payment of loans

made to home owners in an effort to draw this capital into circulation where it can rebuild our nation and employ men. The only possible way that it can be brought out, as the government has realized in guaranteeing loans to home owners, is to assure its owners of a reasonable amount of profit and a reasonable amount of security on the investment

In spite of the fact that we have the money to provide employment, in spite of the fact that we need the investment, in spite of the fact that the only way to secure this investment is by assuring the owners of capital reasonable inducement and security, the Affirmative comes here today with a plan to totally destroy the motives for large scale investment. Under the plan of the Affirmative, there would be no inducement for the big man to invest his surplus. The investor would take all of the risk and the government most of the profits. Under such a scheme a wise man would invest in tax exempt bonds as long as that were possible, and when that field was exhausted, he would take his money abroad and invest it, or, if that were prevented, there would be no choice but to hoard. The result of such a plan, as advocated by our friends, would be a freezing of credit and a scarcity of capital. Instead of lifting us out of the depression, the adoption of such a plan would permanently sentence us to a low standard of living and a slow business turnover.

The opposition has pictured these fine public spirited, philanthropic millionaires giving their money to employees and vying with each other in making donations to charity in order to evade the unreasonable plan

which the Affirmative has proposed. In view of some of their present activities, it seems to me that our millionaires would stop at nothing to prevent this plan from working, be it by breaking or evading the law, investing abroad, or, of necessity, simply refusing to work.

Andrew Mellon, one of our leading citizens, has admitted that he sold stock to his daughter at a tremendous loss and deducted that loss from his income tax returns. The way our millionaires attempt to place all their money in tax exempt bonds is another example of their attempts to escape taxation. Recently, a \$400,000,000 offering in government bonds was oversubscribed five times in one day. From the way our millionaires hire lobbyists, and from the tremendous pressure they put on our legislatures and our Congress, we can gain some idea of the willingness with which they would distribute their money to their employees, or to anyone else

Let us consider for a moment this question of individual initiative. Undoubtedly Edison or Burbank worked for the love of their work but they also worked because they received rewards for their services. Even though Henry Ford left the country to come to the city as thousands of other boys have done, his refusal to cooperate with the government in this present crisis indicates that he is interested primarily in the Ford Motor Company and its profits

If our opponents believe that our business leaders are not strongly motivated by the profit motive, let them listen to the cry which arises among our indus-

trial leaders when a higher income or corporation tax is suggested. The profit motive is the moving force in our business and industrial world, and to remove or limit it is to deprive us of the leadership of many of the best minds in the country.

Now let us look at the English tax system to which our opponents alluded earlier in the debate. In the *Literary Digest* for August 17, 1930, Mr. Snowden of England is quoted as saying that with practically the same income tax rates (they never vary more than 5%) and with only 2/5 of the population of this country, Britain is able to collect three times the amount from income taxes that we do and she has less than half as much income to tax.

The Affirmative, you remember, suggested that we adopt the English method of tax collection in order to facilitate the carrying out of their plan of confiscating all incomes over \$50,000. In the light of the above quotation, it can be seen that without having recourse to a plan which provides for fixed limits on big incomes and inheritances, we could collect an additional three billion dollars from the income tax alone, without any change in our present rates. This is twice as much as the Affirmative have estimated that they could "divert" under their plan.

We of the Negative believe that instead of adopting such a fantastic plan as the one presented by the Affirmative, the United States should take steps to make the income tax as effective as possible, and the adoption of certain phases of the English system should be a part of that program. If it is necessary to meet

the crisis and to take care of the unemployed, we believe that the income and inheritance taxes should be raised to the World War levels (The income tax was 60% on incomes over \$1,000,000).

But on the other hand, we believe that investment should be encouraged in every possible way and that employment should come about through the normal channels in the "capital goods" industries, and that any plan to discourage investments which will stimulate those industries is artificial, and doomed to failure before it is tried.

In conclusion, the Negative maintains that the amount of money diverted by this plan is negligible, that the adoption of such a plan will cause the industrial leaders of the country to move their capital and their genius to more profitable fields, or, if the Affirmative succeed in forcing them to remain in the United States, they will refuse to do any more than enough to realize their \$50,000 a year. Besides these defects, the Affirmative plan would permanently destroy the motive for the large scale investment of capital which is so essential to economic recovery. And to meet the situation, the Negative suggests a revision of the income and inheritance taxes, slightly raising the rates if necessary, and the further development of a governmental policy which will attract the investors back into industry, and thereby provide jobs and promote prosperity in a normal way.

First Negative Rebuttal, D. Ray Owen
University of Utah

LADIES AND GENTLEMEN: The gentleman who spoke last for the Affirmative contended that capital will not leave the country because conditions are not favorable to capital in other countries. He lists England, France, Germany, and Japan as examples. I wish to point out that $\frac{1}{2}$ of 1% interest that is now being received in England would be a very attractive investment to a man who was in danger of losing all the income derived from the investment of surplus savings. According to the same issue of the *Business Week* which the gentleman quoted, January 5, 1934 conditions in Canada are very much better than they are in the United States, and the business activities in South America are increasing—both fertile fields for capital. With a total lack of opportunity for large investments in this country, the capitalists would certainly seek any opportunity, however unfavorable, to invest abroad

And in order to prevent this movement, our friends have advocated the extension of the regulations placed on the export of gold to include a strict regulation of all foreign exchange. I am afraid that the Affirmative did not realize what they were advocating. The adoption of such a plan would be disastrous for two reasons:

1—It does not prevent the flight of capital, as reported by the *Business Week* for July 15, 1933. The attempts of the German government to regulate foreign exchange and to prevent the flight of capital have failed

because the German companies simply ship goods abroad, have the money which is paid on these goods deposited to their credit, and leave it there. Thus, they gradually sell out their business interests and leave the country. This has been especially true in the case of Jews who have been persecuted.

2—The attempted regulation of foreign exchange has produced another very serious problem in Germany. Foreign trade is restricted, as it would be in the United States under the Affirmative plan, to such an extent that no one can send money abroad to buy goods, without first being subjected to a careful government investigation to determine whether or not they intended to leave the country. Because of the complexity of international transaction, each investigation has taken such a long time that the regulation has resulted in practically closing the automobile factories of Germany which depend on buying raw products and selling the finished automobiles abroad

Thus we see that in an attempt to prevent the flight of capital, the Affirmative plan would not only prevent, but would work further hardships on many of our more important business enterprises which depend, in a large measure, on import or export trade

The setting of a maximum limit on inheritances presents another very serious problem which we should consider. If Henry Ford were to die very suddenly, the whole Ford Motor Company, with the exception of \$500,000, would immediately become the property of the United States, and if the limitation of incomes were in force, no one would have nearly enough capital

to buy the company from the government and run it. It is quite conceivable that the United States would have to taken over, not only the Ford Motor Company, but the Standard Oil Company, the American Aluminum Company, and a number of other large corporations that are owned and controlled by a very few individuals. When this happened, the government would be very definitely in business, and would be competing with the rest of the businesses in the United States.

In attempting to redistribute the buying power of the nation, the Affirmative have said that they expect the rich to evade the law by voluntarily raising wages, making donations to charities, and in other various humanitarian ways. If these people are going to be forced to part with their money, they will keep those earnings as much as possible within their own immediate circle of families and friends who do not happen to be fortunate enough to receive \$50,000 a year. The distribution will be from the very rich to the less rich, and the poorer people, the families on relief will be no better able to purchase goods than they are now.

The gap which exists between the fifteen hundred \$50,000 a year men and the twenty-five million \$1500 a year laborers is so great that it will take much more than philanthropy to bridge it.

Besides failing to provide purchasing power to those who need it, the plan of the Affirmative would drive capital out of the country. No regulation has yet been suggested which can prevent such a movement. And it would further add to our troubles by forcing

the government to take over and run many of our large corporations, with the resulting problems of administration, politics, and competition with private business.

**First Affirmative Rebuttal, D. Ray Owen
University of Utah**

LADIES AND GENTLEMEN: The Negative has made the assertion, and it is only an assertion, that the rich will distribute to the less rich instead of the poor, and hence the buying power will be increased very little. As a matter of fact, there is a growing philosophy, introduced and championed by Henry Ford that higher wages mean higher efficiency and better work from the employees. It is our point that the Affirmative plan, because it makes distribution of large surplus incomes mandatory, will greatly stimulate the wide spread adoption of this philosophy. By adopting this method of distribution, the rich will realize that they cannot only secure better labor, but they can also develop the good will of the public for their institution and thereby assure themselves of a continual income of \$50,000.

The attitude of the Negative toward this problem illustrates the hopeless way in which many of the more conservative members of our society hope to get out of difficulty. Keep on feeding the unemployed, raise taxes a little if necessary, try to get money out of hiding, but do not tamper with the sacred principle that capital is entitled to a lion's share of the profits. The Negative says that capital demands a "reasonable profit": what is a reasonable profit!—40% of the

goods which labor produces? If the conditions are such that the capitalists can operate only with the profits which they enjoyed from 1914 to 1929, capitalism is doomed.

Suppose that we could just sit tight and wait for capital to come out of hiding. And suppose that temporarily it did come out? Suppose that once more investors could be persuaded to buy new machinery and create facilities to produce a large supply of consumer's goods. We would be in exactly the same place that we were in 1926-27-28. The profits would pile up to be reinvested, the reinvested capital would produce more profits and once more we would go plunging into the depths of depression.

We cannot solve our problems by doing the same thing over and over. Even monkeys learn simple lessons by repetition of the same phenomenon.

And to make the situation even more serious, the Negative has advocated an almost complete adoption of the English system which they believe would produce nearly three billion dollars in revenue from the income tax.

The real reason that the English government is able to collect so much from the income tax is that it taxes the small earners much more heavily than we do, according to the *Literary Digest*, May 24, 1930: "The heavy burden of the British taxpayer is a matter of general knowledge.

"In the United States the limit of tax is \$1000 for single persons, and \$2500 for a head of a family. It is a high limit and very favorable to the small man.

In Great Britain the limit of exemption for an unmarried man is \$675 and for the married man \$1125. The married man may also claim exemption up to one-sixth of his earned income, but not exceeding \$1250. For a married man with a salary of \$2500, at which figure he is exempt in the United States, the exemption in Great Britain would be \$1125 added to \$583 or \$1708, and he would pay on income amounting to \$1792."

P. W. Wilson, British journalist, in the *New York Times* for May 6, 1930, points out that in "Great Britain about 4,600,000, or one in ten of the population, pay income tax; in the United States about 2,500,000 pay, or about one in forty-four. On the average in the last fiscal year, the average rate of tax paid on British incomes worked out at about one-eighth or about $12\frac{1}{2}\%$ of income return. In the United States the average rate has been about one-twentieth or 5% of income . . . or, to put it on a basis of per capita population, the United States pays \$10 in income tax, and Great Britain, with a lower wealth per capita, pays about \$25 "

The adoption of such a plan would only further penalize the buying power of these people who now need increased buying power. The fundamental difference between our plan and the plan of the Negative is that the Negative proposes to tax all income taxpayers, the man with \$1000 as well as the man with \$1,000,000, whereas we have shown that the real disparity arises when a man's income is in excess of his wants and he resorts to investment on a large scale,

and, at that point at which extensive investment is possible, the excess amounts should be diverted into purchasing power as the Affirmative proposed to do.

Second Negative Rebuttal, Omar B. Bunnel
University of Utah

LADIES AND GENTLEMEN. The last speaker for the Affirmative has gone to some length to attempt to prove that the solution which the Negative has offered for our problem will bring us back to the same condition which we were in in 1929, but a careful analysis of the first Affirmative speech will show that we shall probably never again have the same peculiar set of factors working to produce expansion.

The first speaker pointed out that for a time the expansion of world markets supplied an outlet for our goods, but, he said, with the conclusion of the World War and the slowing up of industrial expansion the world over, the markets were decreased. In other words, we had two factors operating which curtailed markets and caused over-production and over-capitalization in this country. According to his own analysis, international factors over which we had no control helped to bring this depression, and the Affirmative believes that they can control such factors and prevent such depressions by limiting incomes, which is purely a national remedy and can have very little effect on international forces which have combined to help cause the depression.

It is the contention of the Negative that we should

get back to normal as quickly as possible by replacing the equipment and machinery which we have allowed to degenerate during this period. We have shown you that this replacement is dependent upon free credit and a liberal supply of capital and that the investment of this capital will put millions of men to work, and thereby, supply the purchasing power about which the opposition is so worried. But the return of this money to industry cannot be effected by a plan to limit the returns which an investor may receive from his capital.

Not only will the Affirmative plan fail utterly to solve our problem, but it will produce many additional evils. My colleague has shown you that there are still opportunities for capital abroad which would be considered very good to persons whose incomes were limited to \$50,000 a year in the United States, and that an attempt to forcibly keep the capital at home would only result in curtailment of foreign trade.

And if there were some way to prevent the flights of capital from the country, our Affirmative friends would be faced with the problem of having the industrial leaders refuse to work after they had earned their \$50,000. This inactivity of the most gifted and active element of our population would be a loss to the whole nation.

The last speaker for the Affirmative presented a table of the income tax rates which England uses. We did not advocate the adoption of the rates used in England, but rather the adoption of the methods which make it possible for England to collect from J. P. Morgan while we cannot. We mentioned specifically lower

exemptions, the doing away with tax exempt bonds, taxing the family as a unit, and taxing the profits from the sale of stocks and bonds under a special levy, so that the larger taxpayers will not be able to evade the law as many of them are doing at the present time.

The Affirmative cannot escape the point that they are depending to some extent on the voluntary distribution of surplus income by the earners themselves, and while Henry Ford may be advocating a high wage scale for his employees, there are too many other employers in the United States who are taking the other attitude for us to expect them all to be willing to give away their incomes. The exposure of the extremely low wages paid to workers in the textiles mills is only one of the many examples which we could cite.

Summing up the case for the Negative, we have proved that the plan of the Affirmative has the following defects: it will force men to cheat or move and, if these avenues are blocked, to stop work altogether; the revenue to the government would be practically negligible, and the success of the plan would depend on voluntary distribution. In the case of inheritances it would be very difficult for the government to liquidate its holdings, and the worst defect of all is: that this Affirmative plan would absolutely prevent recovery because it would discourage investment in capital industries, and such investment is essential to recovery.

On the other hand, the Negative believes that the policy being followed by the present administration is essentially sound. We must draw our surplus capital

out of hiding and put it back to work where it will provide equipment and employment

Furthermore, in order to meet the present crisis, the Negative advocates the adoption of the English system of collecting the income tax which would greatly increase our revenue from that source; and we advocate the use of this money for the purpose of employing people. In this way, we increase the purchasing power of those who are now unemployed and leave untrammelled the profit motive which is necessary in order to assure adequate reinvestment in the heavy goods industries and the resultant return of prosperity.

Second Affirmative Rebuttal, Omar B. Bunnell
University of Utah

LADIES AND GENTLEMEN: In summing up the case for the Affirmative I wish to consider in order the objections which the Negative has presented as they were listed by the last speaker for the Opposition.

First, he contends that our plan will force men to cheat. It seems, unfortunately, to be the nature of some men to cheat under any system or plan, but in this case the Negative has agreed with us that the adoption of the English methods of collection would block up the holes in our income tax and go a long way towards preventing cheating under either the present system or under our plan.

His second point is that capital will move from the country. We have shown you conditions in other countries are, in general, unfavorable to foreign capital, and

we have provided that in case such a problem does arise the provisions of the gold embargo could be extended to the regulating of all money. The Negative has pointed out that the German system of regulation has failed. The German system was adopted to stabilize the value of German money and the German government regulates the exchange of currency in order to maintain a set exchange value; and it is this factor which makes the German system so hard to enforce. We might point out, however, that the administration's regulation of gold transfer has been very effective, and it is after this regulation that we model our plan.

In the third issue, the speaker for the Negative held that if these avenues are blocked (and they certainly are) men will quit altogether. They certainly will not stop working until they are earning \$50,000, and after they have reached that figure, they are apt to be very busy trying to keep their income at that high level. We have already pointed out that those men who are working for the good of the nation will continue to work whether they receive additional pay or not, while the refusal of some of our millionaires to work will afford jobs and opportunity for others who are now forced out by their competitors who have superior resources.

The next point taken up by the Negative speaker was that since the revenue to the government would be negligible the whole plan would depend upon voluntary distribution, and elsewhere in the debate, they have contended that the government would be unable to distribute large estates. Let us remember that distribution would be voluntary only in the sense that if the

money were not distributed voluntarily, the government would take possession of the surplus and distribute it by putting men to work. The point to remember is that distribution will take place one way or the other. It does not depend on the good will of the rich alone.

It is interesting to notice in connection with this point that the Negative believes that they can double the revenue from the income tax by adopting the English system; and yet they hold that if we employ the same procedure to enforce our plan the government will receive practically nothing.

Concerning the government's ability to liquidate large inheritances, we need only say that the Ford Motor Company could easily be disposed of to small investors by the sale of stock. The General Motors Corporation, an even larger company, has been entirely financed by the sale of stock to a large number of investors.

As their solution of our problem, the Negative has proposed a stiffening of the income taxes to feed the unemployed and the encouragement of investment to provide employment. My colleague has proved with facts and figures that we were, and still are, over-invested to the point that we can produce more automobiles than the whole world can consume. We have shoe factories that we cannot use, oil and coal fields that should never have been developed, steel mills that have never run at full capacity; and the answer to this problem, as given by the Negative is to build more factories and mills, drill new oil wells, and open additional coal mines. Such a procedure will provide only tem-

porary employment until the capital is spent; and then, once more, we will pass through a period of over-production and into one of depression. Our trouble now is that we are top-heavy with investments and need purchasing power. The Negative plan proposes a better collection of the income tax to feed the unemployed until the capitalist provides work by building plants for which we have no use, and from which they would receive no profits. Doubling of the taxes of both the big and little man will not solve the problem. It is the big man who invests the most in proportion to his earnings and the little man who buys the most, and since it is less investing and more buying that we need, the obvious and logical solution is to limit the incomes of the rich, the investors, and to divert that income to those people who will use it in the form of purchasing power.

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FEDERAL AID TO EDUCATION

Big Ten Conference Debate

FEDERAL AID TO EDUCATION

UNIVERSITY OF WISCONSIN AFFIRMATIVE VS UNIVERSITY OF IOWA NEGATIVE

The following debate, one of the Mid-Western or Big Ten Conference series, was held before a group of high school students and their debate coaches, as an exhibition debate and as an aid to the high school students in the preparation of their season's debates on the National High School subject—Federal grants in aid to elementary and secondary education

The debate was a decision contest and the award of the critic judge, Professor C C Cunningham of the Department of Speech of Northwestern University, is given at the end of the discussion. The result of the audience vote on the debate was not given.

The speeches were taken in shorthand, corrected and edited by the speakers, and submitted to *Intercollegiate Debates* by Professor H L Ewbank, the director of debate at the University of Wisconsin, where the debate was held. Professor A Craid Baird, director of debate at the University of Iowa cooperated in submission of the debate.

The complete statement of the question discussed was, *Resolved—That the federal government should adopt the policy of equalizing educational opportunity throughout the nation by means of annual grants to the several states for public elementary and secondary education.*

First Affirmative, James Doyle
University of Wisconsin

LADIES AND GENTLEMEN: I should like, first of all, to add our welcome to that of the Chairman on behalf of my colleagues and on behalf of the whole University

of Wisconsin. We sincerely hope their entire visit, and especially their discussion here, will prove entirely enjoyable to the gentlemen from Iowa.

The Chairman has announced this evening's proposition and you have it printed on your programs. There are a few terms in that somewhat lengthy statement that may require some explanation. In the first place, by the term "annual grants" we understand that our motion calls for a permanent policy of money grants to be made each year. In interpreting the words, "equalizing educational opportunity," we agree with the National Survey of School Finance that the equalization principle demands that a satisfactory minimum program be made available in all localities "without throwing more burden upon one locality than upon the other."

With this word of explanation may I now outline our approach to a solution of this problem. We base our arguments in favor of federal grants to the state for educational purposes upon three main points. The first is that a need has long existed for placing the equalization of educational opportunity on a national basis. The second is that a workable practical plan of annual grants can be instituted. The third is that annual grants are the best and the fairest means of solving this problem of equalizing opportunity.

Now, before we fill the air with arguments and draw weapons upon each other, may I call your attention to one or two considerations upon which we are all agreed, and which will serve as a kind of a taking off place for the rest of the discussion. One of these ideas is that

education is fundamental to a democracy. Such a suggestion hardly requires expansion when we remember the need for intelligent, thoughtful citizenry capable of grappling with the complexities of present day government. The second idea is that, because of its importance to a democracy, we were early offered and have been ultimately forced to accept the idea that taxation for the support of our schools should be based upon the standard of ability to pay, regardless of whether the taxpayer actually has a direct interest in the schools.

With these two ideas in mind suppose we turn to a consideration of our first major argument in favor of annual grants to the state, that is, that a need has long existed for placing the equalization of educational opportunity upon a national basis. We believe that this need has existed and exists at the present time, first of all, because already certain economic influences have forced a transfer of the responsibility for supporting a uniform school system from the hand of the individual until it is now placed in the hands of the state governments. Now, of course the transfer from the hands of the individual to the community was almost immediate and at first the communities were quite able to support adequate and fairly uniform school systems. But with the advent of the machine and power age, the growth of huge and highly centralized corporate enterprises, the building up of a great body of intangible wealth that knew no boundaries and was to serve as a highly lucrative source of tax revenue, communities found themselves in position of varying degrees of

wealth and thus unable to support uniform school programs without causing undue tax burdens to fall upon the citizens of one community as compared with another. In this emergency the community, of course, turned to the next largest unit of government, the township or county unit, but these agencies soon found themselves embarrassed by the same difficulty the community had experienced, and they turned to the state government as the next agency capable of bringing about equalization. As a result at the present time thirty-five of our forty-eight state governments have in operation some system of equalizing educational opportunity within their borders.

But even more pertinent is our second reason for believing that a need exists for placing this program on a national basis, and that is that these same economic influences have now brought the states to the point where they must look to the federal government as the sole remaining agency capable of bringing about equalization within our national borders. We believe that this is the case, first of all, because the states are not now supplying anything approaching uniform school systems. Consider, for example, the fact that in 1930 the value of school property ranged from \$72 per child in Georgia to over \$400 per child in California. More than this, expenditures from year to year display wide disparities. For instance, in 1932, New York spent \$176 per child for school purposes, during the same year Georgia expended \$33 per child.

Now, it may be true that such expenditures are not directly reflected in, not perfect indexes of, the educa-

tional service offered in these several states. But it is true that such disparity in the amount spent from year to year reflects a disparity in such things as instruction, length of the school term, building facilities and sanitary facilities and the like. May I point out right now that, although we use the statistics from a depression year, we use them merely because they have accentuated the disparity among the states, the irregularities in the educational system existed long before the depression began. Last year, while the wealthy states were able to support school terms of from eight to ten months, three of our poorest states supported terms of less than three months and both South Carolina and Mississippi kept their schools, over 1500 of them, open less than half the year. At the same time while the wealthy states, with the possible exception of the State of Illinois, were able to pay their teachers at least a decent wage for their year's work, the poorer states, South Carolina and Mississippi, for example, each paid over five thousand of their teachers less than \$450 for last year's work.

But even more important than the fact that the states are not now supporting anything like a uniform school program is the fact that the states are unable to do so. First of all they are forced to rely upon old and out-moded tax systems. Tangible property has been terrifically overburdened as a tax base. More than that, the federal government enjoys seventy-two means of securing revenue as compared with eighteen for the states. Suppose the states were able to employ such means of taxation as income tax and sales tax for

part of their revenue! It is true that still disparities in the tax burden would remain. It is estimated an income of three and of eighteen per cent would gain equal revenues in two of our states, and, since citizens would probably be forced to rely upon property for at least part of their revenue, it is interesting to point out that a levy of ten dollars for every one thousand dollars of property would raise in one state fifty-eight dollars per child and in another state four hundred and fifty-seven dollars per child. The fact of the matter is, my friends, that some states simply haven't the money to support a school system the equal of that supported by their neighboring states.

Now, our proposal this evening is after all a very simple remedy. Two crossing lines of policy are converged at the point where the next step in both is the making of annual grants to the states. The first is the removal of the responsibility for supporting a uniform school system from the hands of the individuals to the community, then to the township or county unit, then to the state, and now to the federal government. But the second of these lines of policy is that pursued by the federal government itself since 1787 when the Northwestern Ordinance was passed. Since that first federal grant to states for educational purposes we have consistently followed, through national government, a system of making grants to the states for educational purposes. Now, just last February in dealing out our emergency relief funds we broadened that policy to include grants to the states for general school purposes, which is just exactly what my colleagues and I this

evening are proposing. So you see that our proposal is merely that we recognize the need for a policy upon which we have already embarked. At the present time it is estimated that ten million of the thirty million children in this country eligible to attend school are not in attendance. We must adopt a forceful, virile effort to provide for these ten million children and for the twenty million children now in school something like a uniform program of education supported by the fairer and the most just tax system.

First Negative, Arthur Barnes
University of Iowa

LADIES AND GENTLEMEN: We are indeed very happy to be here tonight to debate the gentlemen from Wisconsin and we "corn-fed" students from Iowa are more than happy to be here because it was only at the peril of our lives that we arrived. There are two ways you can look upon the meaning of being "corn-fed." Further south they have corn liquor which is very potent, I understand, and the corn beverages, and cornmeal and corn bread. The point of the matter is if we had been raised on corn liquor we would not be here, but by being strong and hearty "corn-fed" Iowans, I am glad we got here because it seems we are to instruct the young.

Not only that, I am afraid we are going to have to set the gentleman from Wisconsin straight on debate technique and especially on approach to this question of centralizing our educational system. The gentleman

has been at great pains to point out that various states, particularly some states which do not have much wealth or income, are in dire need of federal aid of one sort or another. They run to the great white father in Washington and get a little money while the getting is good. We cannot agree with them, first of all, that federal aid is necessary. It isn't necessary in several states, not being in line with the definition as regards minimum standards. They can meet such minimum standards on the basis of their own resources.

The National Education Association has set up certain standards which it is proposed would be satisfactory minimums throughout the country. For instance, one hundred seventy-two days per school term and a pupil teacher ratio of twenty-eight to one, and so much in salaries and so forth. We point out that even such states as Georgia and other states, traditionally low in educational advancement, were in 1930 a very good basis upon which to discuss the question. In spite of the fact that the depression has accentuated the condition in but two or three of these states they are very closely approximating the minimums which the National Educational Association has set up. For example, the average length of the school term in twelve of our lower quarter states, educationally speaking, was 164 days in the white schools of the South, that is, those schools which white children attend. The National average is 172. The pupil teacher ratio in the South is 31 to 1 whereas the National average was 28 to 1, and the teachers' salary in the South \$1020 per teacher, or very closely approximating the \$1200

or \$1400 which the national average happens to be. These figures, just as a matter of debate strategy and technique we are supposed to show you come from a very fine source. They come from Monroe and the work of the Tuskegee Institute, and were compiled by the superintendents of public instruction in the various states

We desire to point out, first of all, that we have made a differentiation between the white and negro schools in the South. The significance of this will come out later in the debate. Second, we find that these lowest states, educationally speaking, very closely approximate those minimum standards which have been recommended by the National Educational Association. These states, as you will notice, almost approximate the national average on minimum standards suggested by educational authorities.

Our second contention is this. these states can make a greater effort to raise the minimum standard. The Gentlemen of the Affirmative have led you to believe, which is very true, that the economic resources of the various states are widely divergent, that there are great discrepancies in the different resources of the states. The next assumption does not follow, i e that there is necessarily any correlation between the income of a state and the amount it is able to spend for educational purposes. In some cases it does. The Office of Education, Department of Interior, shows states which are low in income but higher in educational expenditures. Arizona is thirtieth from the standpoint of income and sixth from the standpoint of educational

expenditures. Michigan is twenty-fourth in income and seventh in expenditure. New Jersey is sixteenth in income and fourth in expenditure. As I say, this shows there is not necessarily a correlation between the income or economic resources of the state and the amount it is able to spend for education.

There is a reason for this divergency. For example, Alabama does maintain a level of relation between income and expenditure. Alabama, I believe, is forty-seventh in income and forty-fifth in expenditure, but there is another significant point which we must consider here, and that is the ratio of the Alabama tax burden; the tax income is six and one-half cents, that is six and one-half cents out of every income dollar in Alabama is spent for taxes. On the other hand, in Arizona where there is great discrepancy between income and expenditure two and one-half cents out of each income dollar is spent for taxes.

We are considering the proportion of all state and local taxes to the income. Let us go a little further. We find that all Southern states which have been traditionally low as illustrated by Georgia, which the gentleman mentioned, are spending between six and nine cents of each dollar for taxation purposes, while states like New Jersey, Michigan and others are spending ten or eleven or twelve cents or even higher out of each dollar for tax purposes. In other words, Ladies and Gentlemen, the point is these states are not making the same effort comparatively as are states which are meeting satisfactorily the standards today. Bear in mind that even these states with small expenditures

very closely approximate the National standard set by the N E A The Office of Education, taking figures compiled by the National Bureau of Economic Research and National Education Association and the National Industrial Conference Board, issued in 1929 this statement, "that no state in normal times is unable to meet the satisfactory minimum standard of education."

So our conclusion thus far is simply this: first, these states closely approximate the national standard; second, those states which do not, by making a comparative effort to the other states could possibly raise taxes to such an extent as to meet the standard.

Now then, we contend that state programs will be sufficient It is unnecessary to have federal aid from the financial standpoint and we wish to show you that the history of the United States in the last decade shows these states are rising to meet this need. There are many policies which governments can follow in the United States and which have been followed to remedy the situation, and we would like to point out a few for the affirmative before they take this step. For instance, reorganization of schools within a single district, revamping of the budget, reorganizing the financial set-up, reorganizing administrative facilities. As an example of what can be accomplished we refer you to *Forum* of June, 1933, which tells of the reforms instituted in Cleveland where they are saving one million dollars annually as a result of reorganization. The second method which has been followed is consolidation of districts as in the state of Delaware. Doctor

Fletcher Harper Smith says that Delaware by consolidation and other reforms increased the length of the school term sixty-six per cent in eight years, salaries from \$470 to \$1150 without additional cost to the tax payer.

The third method is reorganization of the tax burden. In other words the shifting of taxes, as in the State of California, where today no part of the property tax is used to support the school system

The fourth method is equalization. The gentlemen have told you that equalization in some form or other exists in thirty-five states of the Union today. According to Professor Peterson of our own Department of Education, many states are trying equalization but it has been proved a success in New York, Maryland, and North Carolina.

Here are four different things states can do and districts can do and which they have done as I have shown by these various examples. What is the result? We find a tendency throughout the United States for educational standards to increase. Further than that we find a tendency in the states of the lower quarter to increase at a greater rapidity. Again, referring to the biennial survey of education for 1928 to 1930, all of these southern states as a group increased the length of the school term five times as rapidly as the other states, decreased the pupil-teacher ratio six times, and the expenditure for school purposes twice as rapidly as states in the upper quarter.

In conclusion, we believe it is not necessary for federal aid to be given to our states to satisfactorily fol-

low out an educational program in the United States. We suggest that the Affirmative gentlemen take cognizance of these facts, that the states are closely approximating the average, that they can make a greater effort and are making a greater effort. Let them examine the various items of experimentation in the forty-eight states and the one hundred fifty thousand school districts, looking at such things as consolidation of districts, and equalization plans before they take the final step and fly off to Washington to get a hand-out from the government. Before they do that we want our friends to consider these plans and show you it is necessary, in spite of these things, to have annual grants.

Second Affirmative, Walter Schubring
University of Wisconsin

LADIES AND GENTLEMEN: You will recall that my colleague has shown you there is a need for equalization of educational opportunity among all forty-eight states. He has also shown you that it would be unfair and unjust for the states to take care of their educational program and to bring about this equalization themselves. It is very doubtful if these states can accomplish that purpose, and you will recall also that our definition for equalization as taken from the National Survey of School Finance states as follows: "The equalization principle demands that a satisfactory minimum program be made available in all localities without throwing more burden upon one locality than upon another locality." Friends, I don't exactly see

how it is going to be possible for the states themselves to support their educational programs in their entirety and at the same time bring about an equalization of educational opportunity throughout all forty-eight states, and at the same time make this burden equal upon all localities. That is the thing we feel the Opposition should meet this evening.

And now perhaps there is another question in your mind, and that is: Does this program for federal aid seem practical to you? Do you think it will actually work? Let us examine the proposition. There have been many plans suggested by leading authorities in this country, such as Doctor Paul R. Mort, Chairman of the National Survey of Finance. Even though these plans may differ in details they all agree on three main assumptions, three main points, and those are: first of all, that this money should be granted on the basis of need to all forty-eight states; second, that there should be supervision and an annual public audit; and third, that all functions of local government should be preserved.

Stop and think about those three points. Do they seem practical to you? Do you think they will actually work? Let us examine them more closely. All money should be allotted on the basis of need to all forty-eight states, to all forty-eight states because it is the more practical solution of the problem. It is more customary for us to give aid to all forty-eight states, and that is what we have been doing in the eighteen plans for equalizing costs of government, now in operation. Those states that have the greatest need will no doubt

receive the greatest amount of aid. If one state needs more than another it will receive more. Isn't that a fair basis after all, in view of the fact that all states haven't the same income per child? All states are not equally wealthy because of economic forces which take place in the state to bring about various changes, so that one locality cannot support its educational system as well and as fairly as another? So we say that it would be a very fair method if we might distribute federal funds on the basis of need

The second point is to provide supervision and an annual public audit. There would be a Department of Education set up in Washington under control of a three man commission, appointed by the President. No one could be appointed on this commission unless he had served at least ten years in a department of education. Thus he would be well acquainted with the work and it would absolutely free this commission from political control. An annual public audit of all the money expended and given to the states to be taken every year, and this would encourage a better educational program and at the same time discourage waste. The third part of the program asks that all functions of local government be preserved. The local school board will have the same functions it does today. It will hire teachers, decide what text books to use, and do the other things it has in the past to build up one of the best educational systems that America or possibly the world, has ever seen. Local initiative will again be created because the local school board will have money to go ahead and carry out a good equal educational

program, and that is what we are interested in, an equal educational program to all children in the country that will place these ten million children now out of school back into the schools

Perhaps there is another way of showing the practicality of these proposals which provides first that money should be allotted on the basis of need, second, there should be supervision and an annual public audit and third, that all functions in local government should be preserved. Look at another angle, namely, the plans for equalization of other functions of local government, for education as well as others that are existing in this country among the states, within the states themselves, and in European countries. I doubt if any of you this evening would come here and vote against all equalization plans now existing among all forty-eight states. I have a copy and an outline of these plans. There are eighteen of them instituted at the present time on a permanent basis. These plans are all working. Among them we find federal aid to vocational education, federal aid to agricultural colleges and the Colleges of Mechanical Arts. We find federal aid to highways. You know these plans are working, you can see them in operation yourself. I doubt also if many of you would vote against equalization plans now existing in thirty-five of our states for federal aid to education.

The Opposition mentioned these plans for state-wide equalization of educational opportunities and stated that only four of them were working at the present time. Of these four he named New York and three

others. Did he name Wisconsin? It is up to you people to decide this evening that the equalization plan for education within the State of Wisconsin is actually working. It is stated by many authorities that Wisconsin has one of the best plans for equalizing educational opportunity among the local communities in the union. Iowa, I believe, also has a plan for equalizing educational opportunity. You know these plans are working, and you know they are beneficial just because you can see them working. We see the plans working for equalizing local programs of government among all forty-eight states, working within the states themselves.

Let us take a trip across the ocean and see what they are doing in other countries. I have a book here, *Comparative Studies of Educational Systems of Various Countries in the World*. I find that in those countries having federal aid to education three points, suggested by American authorities and brought out before in this debate, are stressed. First, money should be allotted on the basis of need; second, there should be supervision and an annual public audit; and third all functions of local government should be preserved. These plans have been of long standing in European Countries and other countries in the world; in Denmark as early as 1850, and in England in 1870. Perhaps there is no better way of explaining these plans than giving you the excellent plan being used in England at the present time. I know of no clearer way to do it than to give part of a summary written by Jewell Lockhead of Columbia University in his recent book, *Education of the Young Child in England*. He

says: "Beginning with the Education Act of 1870, England has gradually developed a state support system of education unified from nursery school to university, which includes compulsory education to age fourteen, physical training, medical inspection and treatment, meals for poor children, and special schools for defective children. Education is administered by a board of education and locally by three hundred seventeen local educational authorities, the controlling principle being to emphasize freedom, initiative, and diversity of the program" He concludes by saying, "today the system is under reorganization, the compulsory school age is to be raised to fifteen for all children, and all children to obtain some secondary education at public expense This plan gives the children of England an equal education and there is no reason why the thirty million children now in the schools of America should not have that same equal education that the children of England are receiving. If we would only take that system of education England has and place it in America! Doesn't it seem logical, too, that if the plans for equalization are working, plans for other local functions of government are working today it would be beneficial and just in this country and would place those ten million children back in schools? You see there is a need for equalization of educational opportunity.

Do the Opposition believe in this equalization of educational opportunity? That is the first issue of this debate. Can it be brought about by the states or must it take the federal government to bring about equality

in all localities? We have demonstrated the necessity of federal aid. Is federal aid practical and workable? That is the second issue. I have shown you the plan is practical and workable because these plans are working in other countries today, working in the states, in all forty-eight states, and in European countries.

Second Negative, Ansel Chapman
University of Iowa

LADIES AND GENTLEMEN: In the best tradition of the "corn-fed" state way down south of the Wisconsin boundary we are all mighty glad to be here with you all this evening. We come from Iowa which has state and local education characteristic and inherent in our democratic system, and let us hope that is the way education will always be in the United States. We believe in equalizing education as the Affirmative has told you this evening, but we also believe states have the authority to bring such education about. As my colleague has pointed out, there is no correlation between income and educational expenditures. Some states which are low in income are high in educational expenditures. There is no correlation between the amount expended and the achievement gained. We find in the southern states that the white schools within those states are approximating very nearly the average set-up by this national office of education and incidentally in advocating federal aid to education what standards do the Affirmative uphold? They haven't told you how many days a year, the salaries and amount

expended per child. I wish they would let us know what standards they are driving at.

Mr. Barnes has pointed out that states could have the ability by reorganization, such as was done in Cleveland; by consolidation of districts accomplished in Delaware; by a re-organization and re-allocation of the various taxes throughout the states, and, finally, by equalization itself. Equalization in the United States is something new as a state principle. That is why it has not succeeded entirely, and we say, let us practice, let us experiment, and go further on the basis of democracy, local control and responsiveness to local needs that has been characteristic of American education in the past. It is unnecessary to have Federal control. Not only is it unnecessary but it is also undesirable to have federal aid to education for the simple reason that it will tend to perpetuate the existing inequalities.

Specifically let me try an illustration. Let us go into the Southern states. We find in the negro year book of 1931 and 1934, by Monroe and Work of the Tuskegee Institute, that the expenditures per white child in seventeen southern states were \$45.63, and for the negro \$14.95. Alabama specifically varies from \$37.50 to \$7.16 for the negro, and my colleague has pointed out that, as a result of not meeting the standard between the whites and the negroes, these varied expenditures have been brought about. This means that in the South the various state officials and local officials who have controlled education have been building

up white education and letting negro education run on a low level.

This has happened because it has been the principle theory in the South that the white is a superior being and that education in the hands of the negro would be too powerful an instrument for social reform and economic progress. That is the condition as it actually exists in the south. We say and we think the negro should go ahead and progress to better conditions in the future but the South says, "No." That is the condition as it actually exists. We do not believe we should have the federal government going down in the South and equalizing educational opportunity for the white as well as for the negro, which they absolutely must do if they are going to remain within the bounds established by the Affirmative this evening.

We find in the past when the federal government has given grants to the various states it has resulted in perpetuating existing inequalities. Dr Ambrose Caliver in *The School Life* for October 1934 said, "When emergency funds were allotted to the states to extend school terms, the negroes were aided but slightly. First, states decided that the terms should be only as they were in 1931 and 1932, namely five months or a little more; and secondly, salaries were paid on existing negro wage scales of \$18 00 and \$25.00 a week."

Therefore, the money the South has gotten in the past has been directed into white channels and the negro has not been helped by Federal Aid. Therefore, as I say, if we give any money to equalize educational opportunity in the South, the present inequalities are

going to be perpetuated and augmented to a further degree. However, the Affirmative have told you we are going to have a system of audit, going to have accounting books, and therefore we can check all of this money that is spent. Auditing will not do any good; books will not do any good. The inherent tradition of the southern whites has been that the negro must not have education. It will be too powerful a force in his hands. You know that as well as we do, and for that reason the negro has been held in abeyance. If we are going to have equalized opportunity, naturally the negroes will have to have the same levels as the white children. How can the federal government be assured that giving this money to the states, even with audits, the states will build schools, hire teachers, provide adequate salaries, and spend the same on a negro as upon a white student?

They cannot be assured unless they go down and assume absolute control, rigid, coercive control over educational features in the various southern states. That is the only way we will have equalized educational opportunity in the United States as asked by the members of the Affirmative this evening.

When we have this control set up in Washington over our educational system you are going to create antagonism between the southern states and the federal government. The southern state does not want education for negroes equalized with the whites. If the federal government steps in and assumes control and says to the southern states.

“We are telling you we are building schools, hiring

teachers, and providing adequate salaries, and giving the same to the negroes as to the whites," naturally the southern states are going to feel hurt. You are going to have antagonism and hard feelings existing between the South and the federal government, not conducive to the best interests of education. This will counterpoint and play education and racial feeling and racial prejudice against one another.

Not only this but such federal control will destroy initiative and local responsiveness to education, which have been a fundamental characteristic of our educational system. Education in the United States has gone a long ways since 1776. We do not any longer, for the most part, have the school houses of one room, badly heated and ventilated. Instead we have mammoth universities, big high schools, fine buildings, as an example of the progress we have made in education in the past 150 years, and all on a local basis, responsiveness to local needs and local conditions. Education has been local in character and that is the way we hope it will be in the future. The very genius and progress of our educational system has been one of responsiveness to local needs. That is the fundamental characteristic of our Democratic educational system, and that is the way we are going to maintain it in the future; and if we maintain it in the future as we have in the past, we realize we will have a sound fundamental system of education capable of providing for the people education which will enable us to have a well-informed electorate, which they say is the basis of education in a Democratic nation. Education in the hands of local

officials, responsiveness to the local needs, has been the very genius of education, and the federal control which says, "We are going to build schools, tell you what teachers to hire, how much to pay them, the days in the school year,"—if that is going to be in the hands of the Washington officials, naturally state and local schools will be wiped out; and we shall no longer have the Democratic characteristics of our educational system.

Not only that, but we will have politics entering into our schools. Naturally when we have federal control of our educational system the federal government, the politicians in Washington, will want to establish the principles practiced by their parties, and could impregnate the standards of that party system in the minds of the children. As an example, we have the R O T C. in the various universities throughout the nation, standardized by the War Department out of Washington, who send out at the beginning of the year the method of instruction for the year. We have a federal judge enjoining a school official from using a certain book in the Smith-Hughes Act. We have examples of the federal government actually going in and controlling the curricula of the various schools which are receiving federal aid, and when this happens naturally we are going to have politics entering into our schools, and the federal government controlling schools, and this is not to the best interests of our democratic education. Therefore, we say that federal aid, not only is unnecessary, but it is also undesirable, because it will perpetuate and augment existing inequalities, we say,

that federal control will result in not merely auditing but in antagonism between the South and the federal government, we say it will destroy initiative and responsiveness to local conditions, and will bring politics into our schools.

Third Affirmative, Arthur Smith
University of Wisconsin

LADIES AND GENTLEMEN: The last speaker has made the charge that the present state systems in the South are working only for the whites and are subjugating the negroes. We want to remind the gentleman this evening that we are for equality of educational opportunities for everyone, not drawing any color line. After all, this is a democracy, and, as the National Council of Parents and Teachers says, "Ignorance cannot be segregated in the United States, and the welfare of our system, and the welfare of this democratic nation necessarily must be based on the adequate education of every individual and citizens of these United States."

The first speaker from Iowa told you that educational expenditures were not correlated with the state income. Perhaps not, but to get down to the basic line of reasoning, there is a difference of wealth among the states ranging up to seven times. Consequently, since no locality should be burdened more than another locality, one state can only make one-seventh of the effort another can. Furthermore, about this business of federal aid not being necessary because states are

already approaching the minimum national average. Of course, if the statisticians are right, and they should be because their educational standards are naturally included in the average, the present national average is not high enough, due to the fact that many states are only providing a meager, inadequate, "3-R" education. As for our standards, Wisconsin seems to be doing very well; Wisconsin standards would appear about satisfactory.

The Affirmative case in the debate has been: *first*, a need has long existed for equalizing educational opportunity on a national scale. *Second*, there are practical, workable federal aids to education plans. It remains for me, then, to develop the third affirmative point, that federal aid through education is the best and fairest method of efficiently equalizing educational opportunity. We base our argument on two principles. First, the fact that the federal government is the best suited to tap the resources of this country for educational purposes because it is a generally recognized fact among taxation experts that there has been a tremendous shift from the tangible wealth as a source of taxation to the intangible wealth as a source of taxation. You are all aware of the growth of the private corporations such as the American Telephone and Telegraph Company, which incidentally controls more wealth than is contained in the borders of twenty-one states. It is also a well-established fact that the financing of education has not made this change. In fact, in 1933, 87% of the educational units were still fi-

nanced by the property tax. Is it any wonder schools are inadequately financed?

John Norton, Chairman of the Commission on the Emergency in Education says: "The property tax, over-burdened and poorly administered by the local community, stood in the road of educational advance throughout the decade of the '20's."

Obviously, then, the financing of our educational system must be shifted to the intangible wealth base. We have two alternatives, first by state taxing systems on intangible property. But this is objectionable because, first, it is extremely difficult. You are all aware that wealth does not remain in the state in which it was created. It flits across state boundaries to the few well-favored states in the east; consequently the state must institute intricate taxation laws and administrative machinery. This system is also objectionable because of the jurisdictional problem. A corporation with headquarters in Oregon is not under complete jurisdiction of Wisconsin and, if it is operating in Wisconsin, we lack adequate legal information to be assured the corporation is paying the income tax it should be paying. But the 48-state income tax is also objectionable because of the confusion that would result. That is objectionable when we visualize forty-eight states fighting over wealth which is not in their state but out in the east. But the third point is that the forty-eight state taxing system is objectionable because of the duplication and waste necessarily a part of this system. Iowa has been telling you we should save money by eliminating duplication and waste.

Consequently they cannot advocate this 48-state theory because it is the antithesis of what they are striving for. Let us turn to the second position, the federal government's taxing intangible wealth, and returning to the states enough to finance educational programs. The federal income tax is in operation today, but it is also preferable because it eliminates all of the objections of the 48-state system. The federal government has no problem of migration of wealth, no problem of jurisdiction, no problem of duplication and waste. All in all, the federal government is a simple, effective, and efficient taxing unit which will insure adequate income for the financing of our educational system. This is the first reason why we believe the federal government is the best suited to solve the problem of equalizing educational opportunity.

The second is, that due to the vast disparity of wealth among the states, the federal government is the only one capable of solving the problem. There are three possibilities by which we may equalize educational opportunities. The first is by state reforms. We want to thank Iowa for so adequately presenting the fact that state reforms will save much money. In fact this feature is part of our plan, but unfortunately it is not enough. Educators such as Russell, Mort, and Carr and the National Advisory Committee on Education, the Joint Committee on Emergency of Education, and the National Survey of School Finance, all come down to the final basic conclusion in the last analysis, that, no matter how many reforms are instituted, there will still be a great many states able to

provide only the most meagre "3-R" education. Obviously we must turn to the second possibility: that of the individual states independently attempting to equalize educational opportunities. Perhaps they can, but due to the great disparity in wealth among the states, they can only attempt to achieve equalization by imposing an overwhelming and impossible tax burden on their people. Let us take Arkansas. If Arkansas were to attempt to achieve an educational program on a standard of a few of our states she would have to tax each one of her citizens twenty-five cents out of every dollar he earned to do it. And if you remember our interpretation of equalization it is that no locality should be burdened more than another. Obviously this possibility must be eliminated, and that leaves the third, federal aid, and that is the only fair method which can adequately and fairly achieve equalization, and this is the possibility we are advocating.

What would be the benefits of equalizing educational opportunity? The first is a selfish and material economic benefit. You know education is the greatest want-stimulator and business builder of our modern times. Educated people want better homes, better furnishings, more travel. Frank Ballard, Superintendent of Schools, Washington, D. C., says education in the public schools creates a demand for the markets of the world. Therefore, higher educational levels will result in stimulation to business in the United States. Secondly, the proposal of the Affirmative is along the line for the realization of that Democratic concept which we have always championed, equality of oppor-

tunity. From the time of the Declaration of Independence we have aimed to achieve equality of opportunity and our proposal is couched in the same philosophy. And third, from the time of George Washington, who consistently advocated a national university, down to the present time, leading thinkers have always advocated education as a means of obtaining an intelligent voting citizenry. The National Education Association says: "In a republic, equal educational opportunity must be available to all as the essential safeguard of democracy as well as the inherent right of every individual." Our proposal is in line with this trend of thought. In conclusion allow me to summarize briefly.

First, a need has long existed for placing the equalization of educational opportunity on a national scale;

Second, there are practical workable federal aid plans: and,

Third, federal aid is the best method of achieving equality of education,

And, so, if you still believe in the philosophy of democracy, if you still believe in the democratic concept of equality, you must necessarily vote for federal aid to education, for only through federal aid to education can we realize this democratic tradition which we have cherished since the birth of this great nation—equality of opportunity.

Third Negative, Robert Blakely
University of Iowa

LADIES AND GENTLEMEN: If we are to be the paragon of debaters for you this evening, I want you to start taking an example after me. Right now I want to point out something out of order. The last gentleman of the Affirmative said his plan would create benefits. Why? Because it would educate people and therefore they would want more, buy more, and business would be good. I am not very well educated but I want a lot of things. I want to own this Tuxedo I have on. I want many things. The reason I cannot get this is not that I have not enough education. It is that I haven't enough money. Therefore, let the Affirmative look upon this assumption before making such a statement. Now, if you are going to, you may take an example. The first issue of this debate is need. The logic of the Affirmative seems to be that support of education has gone from the individual to the state; therefore, it should go to the federal government. State plans are working, therefore it should go to the federal government. Assume I am standing on a railroad track. There is a bottomless abyss in front of me. Behind me is a cliff. A train is coming. I should go one step and get off the tracks. Should I jump over the abyss? Not unless there is good reason for it. Is there a good reason for going from state plans to federal government? The gentlemen say "yes" because they want equality of standards. Mr. Barnes has

pointed out there is equality of standards as far as the white race is concerned and the negro race assumes a different significance. Then the Affirmative say, "That may be so but the national standards are not high enough." We see in the national affirmative the influence of Voltaire. Voltaire says, "Consistency is the hobgoblin of a little mind." And the Affirmative are not being strained by consistency this evening.

They say they want equality in work. Mr. Barnes pointed out in the southern states the ratio of state and local taxes was less than the richer states. As for federal taxes, New York alone spent 27% of the money and supports 27% of the burden of the federal taxes. What about debt? I wish to point out from the source of the United States Department of Treasury that the debt for New Jersey is \$138.00 per pupil, and for Georgia \$23.00. For the richer states the average debt is \$173.00; for the poorer, \$66.00. There is your equality of burden, if you want it. We of the Negative, however, are not saying this can be attained. We are saying it is practicable. The plans are in existence today and therefore why not experiment and continue. It is rather paradoxical to us of the Negative that the debaters of the State of Wisconsin, the so-called laboratory of the Nation, should oppose experiments.

Now, Gentlemen, further arguing that there is no need for the Affirmative plan, we of the Negative argue it is undesirable. Why? Because we say it would perpetuate existing inequalities. We point out the example of the negroes. The Affirmative with great rhetoric say, "We want equality." That is democracy.

That is true We do But what about the South? Can we get equality? Mr. Chapman pointed out that funds in the past, given to the southern states for negroes, have been diverted to the whites You all know of the terrorization of the negroes by the KKK. I wish to point out a modern example. The N.R.A attempted to meddle with the negro situation, *Business Week*, September 3, 1933, says: "The N.R.A. attempted to establish minimum standards the same for whites and negroes" The testimony of southern manufacturers was bitter against the narrow differential between minimum wages for the different races Mr. Charles H. Stone pointed out between twelve and fifteen million negroes would be thrown out of work if existing minimums were continued, and by the by the existing minimums were not continued

Mr. Chapman argued because of this if you attempt to attain equality of education you must force the South or the Southern States to do it, and if you do that there is going to be a revival of the racial conflict which is still smoldering from the Civil War, and that would be federal control. Federal control in itself would be undesirable as Mr. Chapman has pointed out. Concerning this there was mention made by the Affirmative that England had an ideal educational system If we want to go across the ocean we can go to Germany, Italy, and Russia and other examples if you want to be consistent about going across the water.

We of the Negative further contend with regard to the Affirmative case that the plan is not practicable. In the first place, it is not practicable because of the

Negro situation We say if this plan were forced on the Southern States it would create racial antagonism. This plan is voluntary. It isn't logical, Ladies and Gentlemen, to assume that the Southern States are going to accept a plan that will do something they don't want; and therefore the Southern States will reject it, and if the Southern States reject it, the Affirmative say the greatest need for the plan is in the south, therefore, it would be defeated by its own method of work.

There is another point under which it would defeat its own practicability. The Affirmative made it specific that the money must be apportioned on the basis of need. This plan is annual grants to the several states. Because of the plan of annual grants to the several states by Congress, politics must enter in. The southern states have on this basis less than one-fourth of the senate and much less than one-fourth of the representatives, and if this bill is passed year by year you are going to have to get more support. Where is it going to get it, from the Northern States? Why should they vote on it? Why should the tax payers of Wisconsin and Iowa, since they are paying a higher percentage of taxes and have more debts and they themselves have racial prejudices, why instruct their representatives and senators to support the bill? They would under one condition; that their state gets a cut of the pie, not in accordance to need, but the old, old story in accordance to desire We all know, federal subsidies on a permanent plan have been apportioned on one of two bases. First, the same amount to all

states. This plan could not solve the problem for it would perpetuate existing inequalities. The second basis is reciprocity. The federal government puts up so much money and the states must match it to get the federal money. The Affirmative cannot utilize this plan because the states that have the money and don't need it can have the money to get the money they don't need, and those states that haven't the money and need the money don't have the money to get the money they need. I hope my logic is clear. Therefore, for this reason we understand why Professor Inglis of Harvard points out that no permanent subsidy has been erected on anything like a sound economic basis and it is doubtful if anything like a permanent subsidy could get the necessary support of Congress.

Now, Ladies and Gentlemen, there is one other part of this plan which would defeat its own practicability. The first step in the plan is state equalization, state reconstruction. Money as we say must be apportioned on a political basis. It always has been. It must. Why should Arizona, Wisconsin, and Iowa continue to make their splendid efforts when by dropping below and getting a little pull in Congress they could get money from the federal government? Why should the states below attempt to rise above, when, if they direct their energies to lobbying in Congress, they would get money from the federal government, from the Great White Father, as my colleague aptly put it? We contend the federal control would destroy the equalization problems which are the first steps in the Affirmative proposal. Therefore in summary, because there is

no need for the Affirmative plan, because it is undesirable in that in order to effect its very principles it must create racial control and racial differences. And because it is impractical in that it would meet refusals by the Southern States, and in that politics must enter into annual grants, we should not accept the Affirmative plan. The plan has been very vague. The Affirmative want this and that, and we have to ask how much the plan will cost in order that we may more directly and more practically debate this issue.

**First Negative Rebuttal, Arthur Barnes
University of Iowa**

LADIES AND GENTLEMEN: The first thing the Affirmative said this evening that excited me is the fact that it is necessary to have federal aid if we are to maintain equality in educational opportunity. There are two phases to this standard for equalizing educational opportunity. There must be equal opportunity, and second, there must be equal burden according to locality. The worst example they could find seemed to be Arkansas. That is the state they said it would cost 25% of the tax burden. The only way we could see they got a figure like that was to assume that Arkansas in order to meet the same standards, such as length of term, pupil teacher ratio, must expend some such huge sum as New York, but that is not true as I would like to point out. From the Office of Education, Department of Interior, I want to show you statistics and let you draw your

own conclusions. Let us take Arkansas. As I told you, Arkansas is spending today \$42 per white pupil, sending them to school 163 days a year. The National average, generally recommended as the standard, is 172 days. She does that on \$42. Her tax ratio was 67%. Why is it necessary for Arkansas, which comes so very closely to approximate the national average in this and every other particular, to jump 67 up four times, clear up to 25% to overcome such a little discrepancy in the educational standards? So much for Arkansas, whose average salary for teachers is about the same as the National average. By the way, if you will read through the biennial survey for education, 1928 to 1930, a revealing document, you will be pleasantly surprised at the curricula in elementary schools, extra-curricular vocational guidance and other advances in public school education in such states as Mississippi, Louisiana, Arkansas and other states which according to their standards would seem from a purely financial standpoint, to fall so far below what we could expect. So much for Arkansas, the worst example.

What has Arkansas done about it? According to the biennial survey in 1927, Arkansas set up an equalization plan based on income tax, tobacco tax and other sales taxes, and is increasing that equalization plan on the new tax basis from year to year, and, as a result, Arkansas is among the states increasing rapidly in educational standards. Let us talk about the equality of burden from locality to locality. The Affirmative have told you 35 states have equali-

zation programs They seem to be working. In other words, they seem to be equalizing within the state. We have shown you the worst example they could give you, can do it. Before the Opposition can assure us federal aid is necessary on the basis of equality of burden, they must show us why Alabama should not expend as great a portion of her income for tax expenditures as do such states as Arizona, North Dakota, Iowa, Wisconsin and other states they cite as thoroughly satisfactory even from a fairly skeptical Affirmative point of view.

Just one more thing. I want to stress the point which my colleagues have brought out; our opponents are going to retain under local supervision all of those activities which are now so conducted. Keep on with those things, and you are going to perpetuate the inequality.

**First Affirmative Rebuttal, James Doyle
University of Wisconsin**

LADIES AND GENTLEMEN: It seems to have proved highly convenient for the gentlemen of the Negative to disregard the fact that the negroes in the South require an education. It seems further to have been highly convenient for the gentlemen, especially the first speaker from Iowa, to continually go to the Biennial Survey of Education made by the United States Department of Interior for his data. It seems further convenient that they should harp upon the State of Arkansas. Using this same authority, the

biennial survey made by the United States Department of Interior, may I point out for the year 1929 and 1930 Arkansas teachers, teaching both white and black students, received an average of \$11 a week, while teachers in Iowa received an average of \$21 a week. Teachers in Wisconsin, who are taken as a sort of a median this evening, received \$26 50 a week. You notice, \$26 50 for Wisconsin and \$21 for Iowa. Far be it from me to say the people of Iowa would suppress the negroes.

Using the same authority again, the same biennial survey tells us that Arkansas schools, having both white and negro students, have average school terms of 107 days, while New Jersey had an average school term of 188 school days, Iowa of 176 school days. We believe the gentlemen have found it much too convenient both to use this authority and disregard the negro problem in the South.

They have told you these southern states are almost up to the standard, the median for all schools in the list. They have further told you that some states not now up to that medium can obtain it by making an effort. Throughout the debate we have insisted on the fact that although some of the poorer states may be able to provide a foundation program, it is unfair to ask a state that does not possess as much wealth as the larger states to support a uniform school program. In this connection here are three statements from the National Education Association, only one of which I have time to quote. "We accept the tentative conclusion that differences in the ability

to support education comparable to those now in existence are a relatively permanent condition." Dr. J. B. Edmondson concurs in the belief. Dr. Fletcher Swift concurs. Dr Paul R. Mort, of Columbia University, supported by the National Education Association has this to say, "There is no state in the union which can attain an equalization of the burden on a uniform program of education through local taxation alone. In spite of this there are still individuals who maintain equalization can be obtained by the development of larger units of organization such as the county unit."

The gentlemen said reorganization and consolidation may be resorted to. May I point out that to escape a tax burden that proves too great upon the citizens of a poorer state compared with richer states, these consolidations and reorganizations take the form of vicious economies. May I point out what happened in North Carolina for instance? Teachers' salaries were cut 33% in making such reform. In West Virginia elementary salaries were cut 15%, high schools 30 to 40%, and 1100 teachers lost their jobs entirely. In the City of Indianapolis, 107 teachers were dismissed, salaries reduced 14% to 26%, teachers taught a month and a day without pay. What does this go to show? That in order to escape unequal burdens upon the citizens of a poorer state in supporting uniform school programs consolidation and reorganization must take the form of vicious economy or else the unfair and unjust burden will remain.

Second Negative Rebuttal, Ansel Chapman
University of Iowa

LADIES AND GENTLEMEN. The great clash seems to be over the point of need for federal aid to education. On the Negative side we say there is no need for federal aid for education for the simple reason the states have the ability, have shown the ability, and shall maintain their inherent right to control educational systems as they have in the past. They can tap new taxes, reorganize and consolidate and thereby bring their educational systems up to accepted levels. We contend that \$93 or whatever sum is set up as a national standard by the National Educational Association is not necessary in the South to bring standards up to an agreed upon minimum. If Louisiana can spend \$47 approximately for education of her white children, and thereby insure 174 days in the school year, and an expenditure of so much per child; if she can have teachers' salaries within \$50 or \$75 of the minimum set up, it is folly to believe she should increase her expenditure per child almost twice in order to bring her standards up to a minimum set by the office of education which is only slightly above that existing at the present time. It is to show the ability of states to regulate and control their own education standards that this appeared on federal aid in the United States office of education bulletin: "The United States Office of Education, The National Industrial Conference Board, and the National Bureau

of Economic Research cooperating under the National Educational Association published in 1929 the results of a study of income, wealth and ability of the states to support their school systems. Their joint conclusion was that no state is unable to finance its own system in normal times."

The states have the ability.

Let us consider, too, the negro question, and when we do this we bring into play the other two issues in this debate, that is practicability on the one hand and desirability on the other. I have told you the theory of the Southern States. The theory of the South has been to keep education out of the hands of the negroes because there are so many in the South they constitute a large percentage and that education in their hands would be too great an instrument for social reform and economic progress, and the whites have said, "We are superior to the negroes," they fought a war upon their superiority to the negroes and will maintain that inherent right down through the years. If the federal government is going to step into the Southern States and say, "We are going to build schools and provide education for the negroes as good as you have at the present time," what will be the natural reaction of the Southern States? There will be antagonism resulting between the states and the federal government, and such antagonism is not conducive to play against the educational policy in the state. Quoting from the *Survey Graphic*, November, 1934, Edwin R. Embree, president of the Julius Rosenwald Fund for Negro Education: "The

South is in no position to ask for equalization from the federal treasury until she herself equalizes educational facilities for all groups of her people. To hand out money in lump sums to the several states might simply stabilize at a higher level the present inequalities between races and the equally serious discrepancies between urban and rural schools." Therefore, if we don't have the federal government going in and exercising control over the negroes, and let the states spend money as they see fit, we will have a perpetuation and augmentation of the present inequalities as they exist in the South, and if this results I can see, you can see, and the Affirmative can see, we shall not have equalized opportunity in the United States as they plead for this evening.

Finally, we think the negroes should progress. We want to see them bettered in the South. However, we do not say this can be accomplished by federal aid, and in closing I would like to read a report on the Committee on Federal Relief Education: "We review with admiration the impressive advance made by the negro from slavery through increasing attendance at high school and college and higher standards of living. This advance stimulated by gifts, and so forth, has accomplished vastly more than any grant of federal funds could have done. The actual limitations handicapping the negro are due to the physical, economical, social, and political imperfections surrounding them."

Second Affirmative Rebuttal, Arthur Smith
University of Wisconsin

LADIES AND GENTLEMEN: Perhaps the greatest clash at this point is that there is no need. If there is need, we can solve this problem by reform, says Iowa. We have sufficiently indicated to you that all of the eminent educators, all of their studies have come to this conclusion: that state reforms are not enough. To show you what one of our greatest educators in this country, Mr. Paul Mort of Teachers College, Columbia University, thinks about this, we quote: "Whatever states may do in improving the local situation, the contrast between states when their own potentialities have been realized, points to the absurdity of any stand that will place complete responsibility for the support of education upon the states." No need for educational equalization when educational standards are \$33 in one state and \$176 in another? No need? Look at the illiteracy percentage. Mississippi's white population is 13% illiterate. Wisconsin is 1.9% illiterate. Obviously there is a vast discrepancy in the ability to eliminate illiteracy in the various states. How about the ten million children not in school now? Don't they need an education? What if Iowa has come and said that state reforms will put the ten million children back in school! They are overlooking the fact of the basic disparity in wealth between the various states. That is the answer and we can only achieve a fair solution

to this problem by going to the federal government, because the federal government is best suited to handle this problem. That is the solution and the most fair solution.

As far as the negro situation in the South is concerned, an essential part of our plan is the fact that these grants are going to be given on a conditional basis. States must provide educational opportunities to every individual in the states. Is it vicious for the government to demand that its citizens be equalized, educationally speaking? Is it vicious for the government to demand that the tax payer's money be saved, that state reforms be instituted? Obviously, that is not vicious control. But Iowa says it will create race conflict. That is so, they assert it. Iowa says there is going to be race conflict, but do they quote any authorities that there is going to be race conflict? After all, we are living in 1934 and not in 1865, and as I indicated, ignorance cannot be segregated in these United States. Negroes must have an education.

What about control? Have they defined federal control for you, or have they generally dragged out the old 1898 oratorical harangue about dead cats and things of that nature? They haven't defined federal control! Have they pointed out how federal aid in the past has resulted in undesirable federal control? No, they have not! But of course the National Advisory Committee on Education says there has been no federal control of education on the general grant basis. Obviously they can't point to any instances of federal control.

All of the studies have come to the conclusion that federal aid is desirable. They don't seem to be worried very much about federal control. They are not interested in this old political harangue about the federal government running this and that. They are interested in equalizing education by giving every individual in the United States an equal educational opportunity. That is what they are interested in and I have shown that the federal government is not vicious when it demands reform and that its citizens receive an equal educational opportunity.

Let me point out again the three points of the Affirmative case. First, there is a need and it has long existed for placing equalization of educational opportunity on a national scale; second, there are practical workable plans; and third, federal aid is the best method and fairest method of achieving educational opportunity, and so if you, as intelligent citizens, are interested in achieving real democracy you will vote for federal aid for the equalization of educational opportunity so that every boy and girl, regardless of color, can receive adequate education in this country in order to meet the vicissitudes and economic and social problems which they will inevitably face in life.

Third Negative Rebuttal, Robert Blakely
University of Iowa

LADIES AND GENTLEMEN: We of the Negative wish to leave the impression upon you that we argue there is no need for the Affirmative plan. They have said

they take depression figures because they magnify the conditions existing in normal times. We can understand their logic in taking depression figures. These make their plan look better, but they are proposing a permanent plan and we suggest that it would be desirable to argue upon the figures of normal times, which is what we have done. Mr. Barnes, the first speaker, pointed out about standards, that the white standards in the South approximate those in the North. He pointed out the tendency in the last ten years for the states below to approach the minimum faster than the states above. He pointed out to you many things. All the Affirmative has said is: "first, they believe in educating negroes equally, and secondly, they do not believe that there is no need for the Affirmative plan because the national standards are not high enough." They didn't give you any authority concerning this and when there are fifteen million unemployed, when industry is decreasing, and the government practically has to set up a dictatorship, we are not going to concern ourselves with raising general education standards until we get out of the depression. They say there must be equal burdens. Why do they ignore our figures concerning state and local taxes in the South and federal taxes and debt? Why did they ignore these? We argue, therefore, there is no need for the Affirmative plan. Secondly, it would be undesirable, because it would perpetuate existing inequalities.

We brought up as an example of this the negroes. The Affirmative say this is 1934. Yes, this is 1934, but you saw the example pointed out by my colleague

of federal funds in the last year being devoted to the whites. If you give this money without absolute federal control, it will do the same thing and perpetuate existing inequalities. How about the N.R.A.? The N.R.A. attempted to do the same thing the Affirmative is attempting to do and white manufacturers threatened to throw the negroes out of work. That is what happened. Let the next Affirmative speaker talk to the South. Don't talk to us. We deplore the condition.

Mr. Chapman quoted a negro authority saying the philanthropic endowments did much more for the negroes than any federal subsidy would do. He argues it would mean federal control if you put it in against the wishes of the South. The Affirmative say what is wrong with federal control if it means reform. Right now we have pointed out it would be impractical because the Southern States are not going to accept a plan against their will. It is voluntary and therefore it would defeat itself. Finally, about federal control and the entire practicability of the Affirmative plan, we have said it is impractical and federal control would be bad because politics inevitably must enter in. Federal grants are given every year. It is the same old story. Let the Affirmative give one example of a permanent subsidy that has been given on other than these two bases, equal amount to all states or reciprocity. Let them give us an example of a federal subsidy according to need and let them contradict Professor Inglis of Harvard University who says no subsidy had been given on a purely economic basis

and it is doubtful that any plan could gain the necessary support of Congress. Therefore, because there is no need for the plan and it is undesirable and would perpetuate existing inequalities and is impractical, we argue we should not accept the Affirmative plan, well intentioned as it may be

My time is up and I shall debate no longer. We wish to express our appreciation to the University of Wisconsin and particularly the audience of High School Students. You notice that we addressed you quite frequently as Gentlemen—that is the condition in Iowa. We can only get the males to come to the debates. Here we have women and men and boys and girls. We overwhelmingly express our appreciation.

Third Affirmative Rebuttal, Walter Schubring University of Wisconsin

LADIES AND GENTLEMEN: I am willing at this time to step right over into the Opposition's camp and talk over the situation and find out if these states can bring about an equalization of educational opportunity. According to the figures of the educational research made in 1930, in the South we find at that time the State of Mississippi had an income per child of approximately \$930, and it was spending about \$43 per child. Right on the side of Mississippi was Alabama with an income per child more than twice as much as the State of Mississippi, an income per child of \$2400 and expending approximately \$108 per child. An income in two states, one right next to the

other in the South, one with an income per child twice as great as the other and spending per child twice as much. Now, doesn't it seem logical to you that if this is true there is injustice in the program of the Opposition which allows the situation to be taken care of with the states. Is there such a great difference in cost between the State of Mississippi and the State of Alabama? Does the income there show there is any great difference? My friends, I don't see it. The program of the Opposition would be all right, it would create educational equality throughout this country if every state had an equal income, but that does not exist. Does it seem reasonable to you that when a state in the South must spend to bring about an adequate program sixteen cents out of every tax dollar for education, and a northern state has to spend but two cents out of every tax dollar for an educational program, does this system seem fair? And yet that is the program the Opposition have been advocating this evening. They haven't told you how they are going to place ten million children out of school back in school. They haven't told you how they are going to create this educational program and bring equality to all children. They haven't given you any logical reasons to show why the income per child should not be a good basis for determining the amount of wealth in that state. They haven't shown the purchasing power in the South is greater than the North, and they haven't said anything about California, which is spending a great deal more on education per child than the other Southern States, and yet California is

in the South. They have harped on the negro problem. They don't care a thing about the negroes' education. They seem to think it is a problem, but what are we going to do about it? Why, it isn't practical; the South won't give education to the negroes, and what can we do about it? We provide for supervision and we will see that the negroes are educated and we believe supervision is necessary, and don't ever believe if the states can obtain any money from the federal government they are going to back down. They will take every cent of money they can possibly get and the Southern States are going to adopt this plan and provide education to the negro children.

We have shown you a need for equalization of educational opportunity throughout the country. We have shown you the plan is practical, that it is a just plan, that it is going to be beneficial. We have shown you it is the best plan that can be adopted. We have shown you we can place these ten million children out of school back in and give an equal education, and give all people an equal education throughout this country, and in the end probably we can go on marching as we have in the past even to greater glory, educating our people better and in the end abolish depression because all people understand economic order and can rule themselves better under a democracy than they have been able to in the past.

Now, friends, the debate is indeed over and I wish to thank the gentlemen from Iowa for coming up to meet us at this time and I wish to thank you all for appearing.

Judge's Decision, Professor C. C. Cunningham
Northwestern University

LADIES AND GENTLEMEN: A critic judge is pretty much in the position of Adam when he steps into the Garden of Eden, and everything is serene and beautiful. A good debate has been held. These gentlemen on the platform have locked arms and elbows and everything but hair in a perfectly friendly, brotherly manner. All has been peaceful and serene. I am trying to be almost as sarcastic as a certain speaker of the Affirmative side was, and now I have to step up there and in this Garden of Eden I have to toss the apple of discord, namely a decision for one team or the other, and the position is, I confess, not a very pleasant one to be in. You have put me very distinctly on the spot, especially in view of the fact that you, yourselves, out there are expressing your opinion concerning the outcome of this debate. Not very long ago I heard a debate where the audience's decisions were gotten not only with reference to the debate itself, but with reference to the shift of opinion. The outcome of that debate was rather peculiar because the audience shifted and were in the ratio of almost six to one in a large audience in favor of the team that the judge voted against. So I stand here tonight with some precedent behind me if I should happen to cast a decision contrary to your views, as to what has happened here this evening.

The manner of presentation—to me it is very im-

portant, and yet at the same time it isn't by any means the whole consideration Oh, not at all. Not at all. I am not so hard hearted as the judges of the Supreme Court and one time they were soft indeed. The story goes that Daniel Webster made them weep in the Dartmouth College Case. Can you imagine John Marshall weeping? Did you ever see a strong man weeping? I haven't been weeping. I wasn't made to weep, but I must confess at least one individual on this platform exemplified too much bombast in his manner all the way through, and it happened he had a very strategic place in this debate and his work consisted chiefly in relying too much on the wind technique of permitting the man to take off his coat and not enough on the technique of persuading the man to do so, and that was a decision in the debate.

Along with presentation went other things, for example, such a question as this: to what extent should a team in rebuttal attempt to say really what the major issues are in the debate, line up the contentions on those issues, and then try to throw the debate their way on each one of those major issues. In my estimation one team tonight was very much superior to the other in that respect.

The other factor in the debate, the matter of case, —just as they lined up side by side,—to what extent should a case be carried in the direction of practicability when a plan of some kind is being advocated. The charge was made that the Affirmative plan was a bit vague, and the challenge was thrown out by the

Negative of the practical aspect of the plan. How about give and take of argument and contention? That is a factor that comes into my decision.

Finally, I would like to ask this question. We had here tonight on this platform a good example, I think a pretty good example, of one team getting the other team into one of those most undesirable positions to be in in the course of debating, namely, a fair dilemma. Think about it and see whether you can identify it. We will talk about that tomorrow morning when we talk about other things. Of course, one way to deal with a dilemma is to take hold of each horn and look at the bull behind it. I felt that one of these teams did have the other team in a dilemma, and the other team neither tried to look at the bull nor take a good hold of either horn. That is carrying that figure a bit too far.

I shall also ask you this question tomorrow—do you know that on the issues of this debate, on the real issues of this debate,—incidentally this would be an adverse criticism of the debate as a whole—it would seem that there was a little too much reliance on the terminology of stock issues, not quite so prominent and flagrant on one team as the other, but too much reliance upon, “It is good,” “It is desirable,” “It is practical,” that sort of thing. I wonder if we can’t advance in our debating a little beyond that rather rudimentary and elementary technique.

Now, taking into consideration what is to my mind a very decided superiority in presentation and in rebuttal, and perhaps a superiority, (although I haven’t

finally decided on this point) on those other considerations, named, I would give my decision tonight by a fairly good margin to the Negative.

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PREVENTION OF INTERNATIONAL
SHIPMENT OF ARMS AND
MUNITIONS

An Exhibition Debate

PREVENTION OF INTERNATIONAL SHIPMENT OF ARMS AND MUNITIONS

BOWLING GREEN STATE COLLEGE AFFIRM- ATIVE VS. KENT STATE COLLEGE NEGATIVE

This debate was held as a part of the program of the National Association of Teachers of Speech at its convention in the Hotel Roosevelt, New Orleans. The question under discussion was the national Pi Kappa Delta resolution, *Resolved That the nations should agree to prevent the international shipment of arms and munitions*. J. W. Carmichael, Director of Debate at Bowling Green State College, Bowling Green, Ohio served as chairman. The speeches were contributed by Professor Carmichael and Dr. Kenneth R. Pringle, Director of Debate at Kent State College, Kent, Ohio.

First Affirmative, Karl Karg, Jr.
Bowling Green State College

LADIES AND GENTLEMEN: "Guns, and bullets and armor plate are not made to take the place of postage stamps and books and laboratories and other instruments of civilization and of peace; they are made to kill people. Their only other use is to excite terror, and terror, national or international, is not a safe foundation, upon which to build a civilization." So, my friends, speaks Dr. Nicholas Murray Butler on page 18 of his book, *A World In Ferment*.

It is with this idea in mind that we approach the

question for discussion. You are teachers of young men and women upon whom falls the responsibility of solving and eradicating some of the evils that arise from some of the institutions which so far in history have functioned uncontrolled. Recent disclosures concerning the munition manufacturers have led many American citizens, and citizens of other countries, to consider the possibility of restricting their activities by preventing the shipment of arms and munitions. Hence the Affirmative in this discussion wish to present to you a policy of prevention to which the nations of the world should agree; namely, that the nations should agree to prevent the international shipment of arms and munitions. The statement of the question is such as to require certain definitions of terms so that there may be a clear understanding of this policy.

By the term "should" is implied the idea of duty or obligation.

By "agree" we mean to come to a common understanding. This shall be done by a written agreement, such as a pact, a treaty, or a signed convention. As a second step in this agreement the nations shall agree to nationalize all munitions producing concerns. As a third step in this agreement, we believe it is logical to assume that the nations will agree as to the production of arms and munitions within their national boundaries only to the extent of maintaining international security.

By "arms and munitions" we mean implements used exclusively for land, water, or aerial warfare,

capable of military to the exclusion of any other use, and including component parts for replacement or repair. Naturally trade in all raw materials is excluded from this discussion.

The terms "nations" refers to sovereign states and their territories.

The question of whether the prevention of such shipment would entirely stop war is not involved. We are not proposing a panacea, or a cure-all for world ills. We admit that there are other causes for war. The aim of the policy is to put an end to trade in arms and munitions among the nations as a single step toward a better understanding, and closer cooperation of all the peoples of the earth. No evidence is competent in this discussion which does not have a direct bearing in the international trade in weapons of warfare.

With this analysis of the question I think the issues of this debate are clearly drawn. First, is it imperative for the nations to agree to prevent the international shipment of arms and munitions? Second, would prevention remove the evils resulting from international trade in arms and munitions? My colleague and I will try to answer these questions.

America has but recently awakened to a fact long known in Europe; namely, that the makers of armaments, in order to increase sales at home and abroad, created international friction, accentuated existing friction, bribed governmental officials, sold to both sides in a conflict, made use of governmental means and equipment, dominated legislatures, spread prop-

aganda, and made huge profits at the cost of human blood and suffering. Civilized people have been shocked at the disclosures of the United States Senate Committee, and the further evidence disclosed in books, magazines, and newspapers. Although the first of its kind in the United States, British and German circles as early as 1907 were thrown into an uproar by an "expose" of an ordnance-maker's manipulations to spur the naval race between Great Britain and Germany. The two nations had agreed to an armament ration, but at the same time were highly suspicious of each other. Taking advantage of this suspicion an agent for the Coventry Ordnance Company gained admittance to a British Cabinet meeting on the pretext of having secret information telling of Germany's violation of the treaty in the fact that she was mounting more guns and guns of a larger caliber than had been agreed upon. It was later proved that his whole report was false

The munition's lobbyists at Washington have hampered or defeated the purposes of Wilson, Harding, Coolidge, Hoover, and Franklin D. Roosevelt, who attempted to curb armament trade with warring countries. That lobby defeated a vote in the Senate in favor of the bill to declare an arms embargo on May 3, 1933. Twelve states control twenty-four votes in the Senate, and from one hundred and seventeen to one hundred and thirty-three in the House, and these are the states which produce all the munitions manufactured in the United States. With this voting power, the munitions makers have opposed all bills

which are detrimental to their interests. Senator William E. Borah stated that no bill has come up in the Senate seeking reduction of naval armament in twenty-four years which has not been opposed on the grounds that there was danger of war with Japan. The *Christian Century*, September 26, 1934, states that the Du Ponts, after denying that their firm ever lobbied at Washington, were shown to have gone to the highest officers of the Army and Navy Departments, and to have received assurance from them that those Departments would take steps to block arms embargo resolutions in Congress.

It is now a well known fact that the armament makers do not work alone. They form huge international rings, by means of which the world is divided into zones, and profits from sales divided. *Current History*, November, 1934, states: "The Electric Boat Company, and Vickers, Ltd., of England, divided the world into spheres of influence, exchanged patents and split profits. One result of such cooperation was that American submarine devices were used against American and Allied shipping during the World War." The *Christian Century*, September 26, 1934, tells us that Soley and Company, Ltd., a British firm controlling small-arms and machine guns, finding it impossible for diplomatic reasons to sell to Bolivia, called on their American affiliate, and the American Armament Corporation, to arrange a method by which the arms could be sold either to an American or to a Columbian dummy, and by them re-sold to Bolivia. At the same time that this was happening,

the State Department was doing all in its power to effect a peaceful settlement in that dispute.

Were we to spend another hour in this recital, time would not permit us to present anything like a true picture of the evils brought about by the endeavors of the armament makers to make sales in world markets. We could tell you of enormous commissions paid to supersalesmen of death, of bribes to governmental officials, of the use of naval vessels for the display of new merchandize of death, of German soldiers bleeding to death on barbed wire made in Germany, of Allied soldiers killed by guns made in Allied countries, of immense fortunes acquired at the cost of blood and suffering of millions.

It is national suicide for us to say that this trade cannot be stopped. All ready our state department has set forth a plan of control through government license. After an analysis of this system of government license, my colleague and I decided that it would not be entirely satisfactory in eliminating all of the evils which we are striving to eradicate. Under a system of government license the private manufacturer would still exist. He would still be at liberty to bribe government officials to further his own interests. He could still make use of propaganda and false reports to increase the sale of his wares to his own government, and he could still dominate legislatures. Therefore, my colleague and I have decided that the most practical plan is that of government ownership. Under such a plan the government will take over and become the sole owner and operator of all arms and munitions

producing concerns. Thus we can see that under such a plan the private manufacturer will no longer exist. There will be no private manufacturer who, having as his motive profits which range from 40% to 320%, will create and accentuate international friction, bribe government officials and make use of governmental means and equipment to further his own interests, dominate legislatures and spread propaganda, sell to both sides in a conflict and make huge profits at the cost of human blood and suffering. However, we feel that there are certain evils of an international nature which government ownership in itself will not eradicate. It is with this aspect of the question that my colleague will deal.

First Negative, William Smith
Kent State College

LADIES AND GENTLEMEN: It is indeed an honor to be able to debate on this vital question with our friends from Bowling Green before this group of national forensic leaders. If we seem over-bold in so doing, we would remind you that "wrens prey where eagles dare not perch." Our position is analogous to that of George Bernard Shaw. Frank Swinnerton, in his book *The Georgian Scene*, says of Shaw: "I think the real reason he became a dramatist was that when, as a young man, he spent his evenings in debate, he always longed to take both sides—all sides—by himself, just to show how a case should be conducted." It is the common purpose of the gentlemen from

Bowling Green State and from Kent State to *open up* this question, and view it from all sides.

Now Mr. Karg has presented a powerful indictment against the munitions maker. You must feel, as we do, that this trafficer in instruments of death is the very limb of Satan. But how do the gentlemen of the Affirmative propose to remedy the situation? First, the nations shall acquire the munitions industries in their several countries and operate them as governmentally owned industries. So far we of the negative have no quarrel with them—indeed, we believe that this step alone will eliminate many of the evils they cite. Next, they propose that the several nations shall enter into a signed compact to prevent the international shipment of arms and munitions. It is here, in accordance with the terms of the resolution under debate, that we take issue with them. The League of Nations arms statistics show that only three per cent of the arms produced in the entire world are exported. It is about the effects of eliminating this three per cent that we are arguing, and we are agreed in eliminating the profit motive.

We do not propose an international agreement of any sort. Rather, we maintain that the several arms-producing nations, realizing the deplorable evils of private ownership which the gentleman who preceded me so ably depicted, especially national suicide, will one by one take over their arms industries in self-defense.

In direct clash with the argument presented by Mr. Karg, I shall show that an agreement to prevent the

international shipment of arms is *not* imperative. It is not imperative, first, because government ownership by individual national action offers a feasible solution of the problem. Let us examine the indictments of the arms producer which have been made. We are told that he has bribed officials and influenced legislative bodies. Probably he has; we do not question the evidence submitted; but remember that this was a private munitions maker, actuated by the profit motive. Will munitions-producing governments bribe themselves and their fellow governments? To the next indictment—propaganda—I give the same answer: why should a nation seek to influence other nations to buy arms? Next, we learn, that, the munitions makers form dangerous trusts; government ownership substitutes the public monopoly for the private monopoly. Another indictment is that the munitions maker, by exacting high profits, has imposed a heavy tax burden on the peoples of the world. Here again we see the results of the profit motive; government ownership again is the answer.

The most serious indictment which has been made against the international traffic in arms is that it fomented wars. This leads me to my second argument in support of the contention that the proposal of the Affirmative is not imperative, namely, that an agreement such as is proposed, rather than eliminating an important cause of war, will actually aggravate the basic causes of war.

The brightest hope which the gentlemen of the Affirmative have held out to us is that an international

agreement to prevent the arms traffic will reduce the dangers of future wars. Let us examine this contention. In the first place, by what method has the munitions salesman fomented wars. Mr. Karg has told you that he goes to peace conferences only to throw monkey wrenches into the works, that he spreads propaganda in peaceful nations to make them belligerent, that he lobbies for bigger and more destructive wars, that he plays both ends against the middle. But it is the profit motive, as I have shown, that impels him to these activities; remove the profit motive by government ownership and you remove the only motive he has.

At this point it is necessary for me to interrupt my argument about future wars to make clear in your minds the stand of the Negative team. I told you at the start of this debate that it is our purpose to open up all possibilities. My colleague, Mr. Bundy, will show you, I hope to your satisfaction, that history gives us no hope that the nations, once having entered into such an agreement as the Affirmative propose, would live up to it. But suppose Mr. Bundy is wrong; suppose Mr. Cryer convinces you of the contrary. We of the Negative oppose the proposition of the Affirmative even if the signatory nations should abide by their word. Please do not think me inconsistent, then, or lacking faith in the cogency of my colleague's argument, if I say, with the "Two Black Crows," that "Even if it's good we don't like it."

For if the nations did abide by their agreements and stop all international traffic in arms, the results

would be evil. The fundamental causes of war would be aggravated.

The only way peace can be promoted is by removing the causes of war; in this I think our opponents will concur. But what are the real causes of war? We have only to look across the seas to see some of them in actual operation. Europe, Asia, Africa, South America are like smoldering volcanoes which threaten at any moment to burst out into destroyers of life and property. For example, the Versailles Treaty, in distributing the territory of Europe to the various powers, tried to establish peace, but there is reason to fear it accomplished just the opposite. It made an independent state, Czechoslovakia, from territory that was once Austria's. With this territory Austria lost her arms and munitions industries, the great Skoda Werke, and in addition rich deposits of coal and iron. Austria wants these back; Czechoslovakia wants to maintain her independence and integrity. Imagine what putting into force the proposition of the Affirmative would do to this already strained situation. It would make both of these nations even more desirous of possessing this territory. To Czechoslovakia, it means her very life; to Austria it means self-sufficiency in the event of war—important now but how vastly more so if importation of arms and munitions were prohibited!

This is not an isolated example. France and Germany likewise covet the borderline territories of Alsace, Lorraine, and the Saar Valley, similar sources of raw and finished munitions of war. How much greater a

threat to peace would inhere in these moot provinces if importation of arms were impossible!

Perhaps the sorest spot on the globe is the Orient, where Japan's imperialistic expansion draws the anxious attention of all nations. How much more would she covet the resources of China and Siberia if she knew that she could not turn to America for the means of self-defense!

We have seen that one of the most important causes of war, desire for richly endowed territory, would be aggravated by the proposal of the Affirmative, if effected. We may now ask, "What would take the place of international sales in a world that demands arms?" We face a dilemma: either the non-producing nations would immediately build plants for the production of arms and munitions, or the non-producing nations would be left defenseless. Neither result would encourage peace. Suppose each country sets up its own industry. The facilities for producing arms are multiplied—and few peoples would want to see their new arms plants rust from disuse. Rather, they would be kept busy getting a supply ready ahead of time in anticipation of a war. Vast stores of arms hardly promote peace!

But what of the other horn of our dilemma? What would be the effect of leaving the non-producing nations—most of the world—defenseless? Such tempting and helpless game could hardly escape the greedy aggression of the imperialistic nations.

Thus I have shown you that war would be even more likely under the agreement proposed by the gen-

tlements of the affirmative. What I just said about defenseless nations leads me to my third supporting contention, that the proposal of the gentlemen from Bowling Green would create and make permanent certain injustices. In the first place, any nation that did not set up a great arms industry would be subject to the domination of the great producing nations. Thus, a few nations—Great Britain, the United States, Germany, Czechoslovakia, and others—would have the rest of the world at their mercy. If they did not actually invade, the constant threat of their military superiority would give them undue influence, and make them virtual dictators.

Another injustice would arise in the fixation of national boundaries, with all of the diverse population elements many strive to hold together, at the *status quo*. The problem of minorities is especially acute in Poland. Millions of Germans have dwelt for generations in German Poland. The Versailles Treaty made Poland an independent nation again, and carved out that geographic monstrosity, the Polish Corridor. This German population looks upon the Poles as an inferior race. The situation is the same as would exist if Texas, California, and other parts of our Southwest, with their primarily Nordic-American populations, should be ceded back to Mexico. Population elements unjustly allocated against their will dot the globe, and especially the map of Europe—in Czechoslovakia, in Jugoslavia, in Roumania, in France. These injustices would be fixed forever if the proposal of the Affirmative proved as feasible as they predict.

A third injustice—probably the greatest—would be the fact that an international prohibition of the exchange of arms would give a tremendous advantage to an aggressor nation. Any country which held a grudge or cast longing eyes towards a possession of another nation could quietly build up secret stores of arms and munitions by domestic production over an extended period of time, and, when fully prepared, pounce down on an unsuspecting victim, which could not even defend itself by hurried importation of arms. That this is no hypothetical bugaboo is shown by the long and deliberate process of arming to the teeth that Germany went through before the war.

Now I have shown you that government ownership of all arms and munitions industries, arrived at by individual action, offers a feasible solution to the evils presented by the gentlemen of the Affirmative, that their proposal, rather than reducing the danger of war, would actually aggravate that danger, and that such an agreement would give rise to three grave injustices: domination by arms-producing nations, fixation of the *status quo* in population allocation, and a tremendous advantage to aggressor nations. Hence, we conclude, an international agreement to prevent the international shipment of arms and munitions is not imperative.

You have probably noticed that I have tonsillitis. Strychnine would cure me, but it would also kill me. The only difference between strychnine and the proposal of the Affirmative is that the latter would not cure.

Second Affirmative, Earl Cryer
Bowling Green State College

LADIES AND GENTLEMEN: "This is the ultimate description of war—it is the prostitution of the noblest powers of the human soul to the most dastardly deeds, the most abysmal cruelties of which our human nature is capable." Thus Harry Emerson Fosdick characterizes war. With this thought in mind, and with the hope that the prevention of international shipments of arms and munitions will in some measure tend to eliminate that institution, the Affirmative presents this discussion.

In considering the arguments of the Negative, we would like to suggest another angle from which to view the objections which they made. We do not wish to dismiss their evidence as invalid, but to shed some further light upon these objections. They agreed with us that the only approach to a solution of the problem lies in a system of government ownership and operation of the arms plants of the various countries. They feel that with the elimination of the private manufacturers and of the profit motive much good would result. They further maintain that this in itself would be enough to guarantee the abatement of all evils in the arms industry. They pointed out that to engage in an international agreement would only serve to intensify existing conditions, that many injustices would result from such an agreement especially in the case of small countries, and that international shipment does not constitute a

fundamental cause of war. The first two of these objections I shall show to be of little importance under our plan, and the third appears slightly different when we consider that \$700,000,000 constitutes the annual amount spent on such shipments. Also the last consideration and objection is of less importance when we consider that it is estimated by various authorities that no war could last much more than two months if it were not for the arms and munitions furnished the belligerents by other countries. When one considers the point from this angle, international shipments of arms and munitions take on a new significance.

It would seem best at this point to sum up the two cases so far presented and see wherein they clash. Both sides agree that government ownership and operation of the munitions factories would destroy the sinister influence of armament firms, lessen fear of and retard the development of the militaristic spirit, end the bribery of legislators and officials, curb the tendency toward increased armaments, and in general remove the evils arising from the privately owned arms industry. The gentlemen of the Negative affirm that this is enough. We contend that there are still some things which would be unaccounted for. The two major issues thus untouched by the Negation are, from the standpoint of the Affirmative: first, that an international agreement is necessary to prevent possible collusion between two countries for the purpose of aggressively taking territory; and second, that neutrality can be more easily maintained by a third disinterested country if not engaged in shipping arms and

munitions to either of the belligerents. The significance of these two contentions I shall show to be of the utmost importance.

My colleague proved that it is imperative that something be done to curb the munitions manufacturer. He showed that an international agreement is imperative; that government ownership and operation would facilitate the working of an international agreement; and that as a logical step, it would devolve upon all governments to reduce all armaments to the lowest point consistent with national security in order to make effective international security. By international security, we infer only such armaments as are necessary for internal policing and border defense in each nation. It is my privilege to further prove that an international agreement is not only imperative, but is practicable.

In the past century, we find several instances in which nations have prohibited absolutely the export of arms and munitions. Great Britain, in pursuance of an Act of Parliament, issued at the outbreak of the war between Greece and Turkey, on September 30, 1825, forbade the exportation of arms and warlike stores to any port for a period of six months. During the Franco-Prussian War of 1870, Belgium, Switzerland, Austria-Hungary, Denmark, Spain, Italy, The Netherlands, and Japan issued proclamations forbidding the transportation of arms or munitions. In the more recent Spanish-American war of 1898, the governments of Brazil and Portugal prohibited absolutely the exportation of war material. Brazil adopted such a policy of non-shipment in the World War. These are a few

examples wherein a policy of non-shipment of arms and munitions has prevailed in the past.

Now we can surely see that such a plan as the Affirmative proposes, namely, the cessation of international shipment of arms and munitions has a precedent in principle and that Brazil has followed such a policy for thirty-six years consistently in war times, as we propose for all the nations to follow at all times.

We would not stop here in our proof that our plan is practicable simply because it has a precedent in principle, but will continue to show other angles of its practicability. You will recall that the Negative has suggested certain injustices that would result in an impairment of the national security of small countries in case our plan were adopted. Such a policy as we propose, however, will not cripple non-producing or small countries to any appreciable extent. At the present time there are only six countries as listed by the *Congressional Digest*, November, 1934, which do not already have some factories within their boundaries either private or state owned. These six are: China, Esthonia, Albania, Panama, Venezuela, and the Irish Free State. In none of these countries is there cause of concern except possibly in the case of China. In her case, we can see no reason why she cannot construct such factories as are necessary to produce her own armaments since she has abundant natural resources. She would doubtless need only to import some few raw materials to equip herself to the point of international security. Objections have also been raised regarding small countries such as Egypt, Iraq, and

Southwest Africa. In each of these cases the Affirmative feels that adequate defense would be provided by the country to whom each is mandated. Such defense is provided for by the League Covenant and would not therefore constitute an international shipment. The League report of 1930, page 336, states: "The mandatory may maintain its troops in the territory for its defense and train local militia for local purposes." — "To these zones (mandates) the export of all arms save warships is forbidden unless the party exercising control is willing to admit the articles in question for lawful purposes." Thus we see that national security is maintained by the League for these countries.

The Negation has made considerable reference to small districts such as the Saar Basin and the great Skoda Werke once belonging to Austria. They refer to them as sore spots. What they fail to understand is, that these problems remain as problems under either the Affirmative or the Negative proposal. Under the Negative proposal there would be possible contention over the ownership of such important districts for their natural resources in the form of finished products, while under the Affirmative proposal there might be contention only over the ownership of the raw materials which as such might be shipped for peace time use and consumption.

Now, in showing the practicability of such a plan, I have pointed to a precedent in principle; I have shown that this plan would not cripple small or non-producing countries to any appreciable extent; I have stated that there are only six nations that would not be adequately

provided for at the present time under our plan; and that some of these might easily be taken care of by building whatever armament factories might be necessary to supply their own needs; and finally, I have shown wherein small districts become a common issue in view of the arguments employed by each in their respective cases. It would seem reasonable to conclude that a policy for the prevention of international shipments of arms and munitions is highly practicable.

The Affirmative is further convinced that there are two remaining issues of great importance to be discussed. The first is, that an international agreement is necessary to prevent possible collusion between two countries for the purpose of taking new territory. In considering this, let us suppose that Brazil and Bolivia should privately agree to build up their armaments by shipments from Brazil to Bolivia in order to attack Colombia. Colombia would be helpless against this aggression. Yet *without* international shipment there would be little temptation for Bolivia to attack Colombia alone. Our policy, therefore, would accomplish that which the Negative policy could not do. Furthermore, governments could be more quickly moved to imperialism with international shipments than without them, even though the arms factories were government owned and operated with the profit motive eliminated as the Negative suggest. Herein lies the motive for collusion.

The second issue that the Negative stand does not cope with as fully as the Affirmative proposal does, is the issue of maintaining neutrality by a non-combatant

in time of war. It is a fact of considerable importance that if China and Japan were at war, Japan would soon control the high seas. By so doing, she would make it impossible for any nation to ship impartially to both of the countries involved. By seizure of munitions of war by Japan, a third nation could be easily drawn into the conflict. Without international shipments of arms and munitions it appears much more highly probable that a disinterested third country could maintain neutrality. Here, again, the position of the Affirmative offers a better solution to the problem.

An international agreement is important in order that a unified program of action might be effective in the direction of controlled armaments. It is a fact to be reckoned with that every nation should, by this agreement, substitute a spirit of internationalism for nationalism. "International law should be applied as criminal law. The violation of the rights of one is a violation of the rights of all." So states James W. Garner in his book *International Law and the World War*.

It is a fundamental principle of society that that policy should be adopted which is for the greatest good to the greatest number. The Negative objections have been based entirely upon the injustices done to a few small nations. We have shown that very little or no injustice would result from our policy; therefore, since it is, we believe, for the greatest good to the greatest number, it should be adopted.

Finally, in summarizing the arguments of the Affirmative, we believe that mankind should be emancipated

from the influence of authority and devoted to the search for truth. In presenting this discussion, we have diligently searched for truth and conclude from these truths that it is both imperative and practicable that the nations should agree to prevent the international shipment of arms and munitions: first, to eliminate the evils associated with arms and munitions manufacture; second, to prevent the possible collusion of two countries for the purpose of aggressively taking territory; and third, to make it more readily possible for a non-combatant to maintain neutrality in case of war and at the same time to cut the probable duration of all future wars to a minimum.

Second Negative, Frederic Bundy
Kent State College

LADIES AND GENTLEMEN: In order to remove the evils inherent in the private ownership of the munitions industry, the gentlemen of the Affirmative have proposed a policy of government monopoly. In this suggestion, the Negative team has whole-heartedly concurred. We too feel it necessary that the evils of the private munitions manufacturer be removed, and agree that government monopoly is the best method. Both sides agree that it is imperative to curb the munitions racket, but the gentlemen of the Affirmative have not proved that an agreement to prevent the international shipment of arms and munitions is imperative. The real issue in this debate is "Are there evils resulting from the three per cent of the total arms production

which are imported that will be eliminated without bringing forth greater evils?"

Let us examine the arguments presented by my colleague in the light of the attack which has been made upon them. He indicated that the Affirmative proposal, rather than eliminating an important cause of war will actually aggravate the basic causes. Such a policy would be the forerunner of an international arms race with every nation, large or small, setting up a larger munitions industry. This would mean that each nation would appropriate more of its budget to preparation for war. If, however, such an expansion of the arms industry did not result, many nations would be left defenseless. A distinct and tremendous advantage to aggressor nations would be created. The gentlemen of the Affirmative have replied that only six nations at the present time have no munitions plants, and that the non-producing nations can set up their own factories. They make the error of assuming that the presence of a small arms plant in any nation is sufficient to insure its safety against aggression. This would seem to be inconsistent with the entire tenor of their argument. If every nation but the six non-producers is now equipped to maintain its national integrity without importation, why does the international traffic which they deplore, and the magnitude of which they emphasize, exist at all? The burden of proof is on the Affirmative to show that existing means of production in the majority of nations of the world is sufficient for self-defense.

The low-production and non-producing nations in the League of Nations have insisted that their right to

buy arms abroad must not be restricted. These nations have found it far cheaper and more efficient to purchase their arms abroad than to produce them at home. Of the six non-producing nations, the gentlemen said, China alone will give cause for any concern. Their proposal will leave the others defenseless. But let us look into China's status. It needs only to import some few raw materials to be equipped to the point of national security, the Affirmative asserts. However, the gentlemen of the Opposition have failed to consider the vast outlay of elaborate equipment, money, and industrial skill that is needed in order to maintain China's security among the nations of the world. They assume that the nations will reduce their armaments for effective international security. But what will determine China's security quota? Undoubtedly China will arm to be on a parity with her old enemy, Japan. This in turn will serve as an excuse for greater preparedness on the part of Japan, and will thus lead to an armament race that will make armed camps of the nations. Preparedness causes fear and enmity in other countries and leads to counter-preparedness. We can only conclude that under the Affirmative proposal the nations will increase their war supplies and an arms race will continue among the several countries.

My colleague further pointed out that certain injustices would be made permanent, and others would be created. For instance, the arms-producing nations would dominate the non-producers or small nations with correspondingly small means of production. The result can best be shown by an illustration. Russia,

having natural resources, man-power, and equipment, will, we may safely assume, be able to produce her own armament. Each little Balkan nation will have its puny industry within her borders. Russia has long coveted this territory, and it is obvious that if she desired to seize Balkan lands, she would meet little resistance. To make the matter worse, if we accept the argument of the Affirmative, an attacked Balkan nation could look for no help from allies, for the gentlemen from Bowling Green have maintained that under such an agreement as they propose an alliance or "collusion" of two or more nations would be impossible.

With regard to another injustice, the gentlemen of the Affirmative have been silent. We must assume from their evasion that they admit that their policy will make permanent the *status quo* as regards population allocation, and that the boundary-lines in Europe and elsewhere which overlap distinct racial groups will be fixed forever without regard for the principles of justice.

In answer to our demand that they show evils arising from the distinctly international phase of the question as opposed to the profit motive—in which matter we take no issue with them—they have contended that collusion or conspiracy between two or more nations against a foe is now a common practice, and that it will be eliminated by their proposal. They cited the fictitious example of Brazil and Bolivia conspiring against Columbia to gain new territory. Yet the only reason these two nations, or any other two, would unite is that they are not strong enough by themselves. With the

supply of arms and munitions stopped, nations will find it more necessary than ever to unite because of their own insecurity. The Affirmative proposal, then, would not eliminate collusion; it would rather make it more likely.

The other benefit claimed by the Affirmative for its proposal in preference to ours is that it would make it easier for a non-combatant to preserve its neutrality. But is it not sometimes necessary that a neutral nation ship arms and munitions or aid in a war to preserve its own integrity? The United States was neutral for the greater part of the World War. She provided money and supplies to the belligerents. Had such a policy as the gentlemen of the Affirmative advocate been in effect, it would not have aided the United States in maintaining neutrality. The sinking of the *Lusitania* by the Germans was the spark that lit the fire. Evidence presented in the subsequent investigation gave no indication that she carried any arms or munitions, but the sinking led the United States to action.

Furthermore, under the Affirmative plan, raw materials of every sort can still be shipped, and are subject to seizure as much as munitions. If China and Japan were at war and the United States, a neutral, shipped food and raw materials to China, we may assume that Japan would seize the ship carrying them on the grounds that the United States was aiding China in war. Thus, neutrality would become difficult or impossible just as it does at present.

Therefore, after weighing the benefits and evils which would result from the adoption of the policy ad-

vocated by the Affirmative, assuming that it would be adhered to, we find two shadowy benefits which vanish under close scrutiny far overbalanced by real and tangible injustices and increased dangers to the peace of the world.

However, the Negative does not wish to terminate the discussion at this point. I wish to go a step further in showing that an international embargo on arms shipments should not be entered into. The nations are certainly under no obligation of entering into an agreement that hasn't a chance of being adhered to. I am not here to foment a war, nor am I subsidized by any belligerent power. I wish only to bring to your attention what has actually happened in recent years as regards international agreements. History speaks in a loud voice when it expounds on the lack of faith of the nations in fulfilling sacred obligations.

Let us look over the experience of the past, listen to the voice of history, and see what has actually happened when nations have agreed to prevent something. Then we may formulate some conclusion as to the advisability of all nations agreeing to prevent the international shipment of arms and munitions.

Experience of the past three decades, as well as of all history, has taught us that nations, after signing international agreements have broken their faith. The nations are hunting a place in the sun. Imperialism seems to be their supreme motive. Nations and diplomats convene at frequent intervals in the interest of international good feeling. They sign agreements, supposedly in good faith, and then utterly disregard them.

You will be interested in knowing that this problem of adherence to international agreements is not a new one. Going back to the middle of the last century, we find that during the period of the American Civil War, supposedly neutral nations entered into just such an agreement as the Affirmative advocates, that they would not ship war materials to either of the belligerents on the North American continent. Investigations after the war brought forth information that these nations had violated their agreements by shipping war materials to the North and South alike.

All the signatory powers of the Versailles Treaty agreed to prevent the rearming of Germany. The Allies pledged to disarm themselves after Germany had been disarmed. Today, with more men in the standing armies of the world than in 1914 and budgets surpassing any in history, the nations are approving the rearmament of Germany rather than live up to their agreement to disarm themselves. Germany, forbidden to import arms, receives generous supplies from Holland and from Sweden, where Krupp controls the arms-manufacturing firm of Bofor; forbidden to export arms, Germany ships to South America, the Far East, and any European country that will violate its own treaty by ordering from her.

Let us turn our attention to the small country of Switzerland, an example of a peaceful country and one consistently neutral in international relations. Last year she exported five million francs worth of arms and three million francs worth of munitions to Germany.

The French government is aware of many violations of agreements which it has signed. A printed statement of August 26, 1933 brought out facts regarding international shipment which the French government never denied. The matter involved five hundred tanks delivered to Germany in violation of the Versailles Treaty. Later, on October 4, 1933, M. Senac, executive member of the French Association of War Veterans, declared that four hundred more tanks were shipped to Germany. He demanded an investigation. There was no investigation. It is no secret to the government and people of France that she is not living up to her agreement.

We need not go back further than the Kellogg Pact to find further knowledge of what has happened when nations have agreed to a common policy. Secretary of State Kellogg and Foreign Minister Briand of France drew up that pact and succeeded in getting many nations to agree to its terms. Today we see it being violated on every hand, even though it is declared to be still in effect.

Do you remember the enormous amount of propaganda dispersed during the war? Do you remember the offensive use of submarines? Do you remember Wilson's "Fourteen Points"? The attitude of the nations after that "war to end wars" seemed to indicate that they were ready to agree in the interest of human welfare. With chancellories clamoring for justice, peoples striving for independence and freedom, nations sat around peace tables to solve the problems of the day. Upon leaving the conference, each nation solemnly

promised to uphold its signed agreements. We have seen what the outcome has been.

Bringing the matter still closer home, may I cite what happened in May of 1934. President Roosevelt levied an arms embargo against Bolivia and Paraguay. This embargo, for the purpose of preventing exportation of war materials from the United States, did not attain its objective. After the embargo was issued in May, nations seeking arms signed long-term contracts, dating them some years back. The shipment of arms continued. This is what is actually happening in our own country even with the knowledge of it open to the State and Justice Departments.

The latest chapter in broken faith is being recorded in the daily papers which all of you are reading. It was only last week that Japan put an end to the Washington Treaty of 1922, which assigned her the short end of the famed five-five-three ratio. She has discarded the pact which was to guarantee naval security among the world's leading naval powers.

Coincident with Japan's denunciation of the Washington Treaty, Germany is planning a diplomatic drive to denounce the military clause of the Versailles Treaty.

These violations are not the only ones in recent years. Many other important treaties with impressive lists of signatories, such as the Brussels Conference Convention of 1890, the treaty guaranteeing the neutrality of Belgium, the Treaty of St. Germain, the Chinese Embargo, the Treaty of Trianon, the Treaty of Neuilly, the Geneva Protocol, and the Locarno Pact

—all these have been violated or become “scraps of paper.” In fact, during the last forty years, there have been only six out of two thousand treaties which have not been abrogated by some if not the majority of the signatory powers. Truly impressive, but as truly discouraging is the oracle of history when it tells its story of broken faith, and warns us against putting our trust in an international agreement to prevent the shipment of arms and munitions.

At the same time, I would not have you forget the equally cogent arguments of my colleague. Even if we could forget history and expect the nations to abide by their word, only injustice and greater possibility of war could result. Let us look for our solution of the munitions evil rather in government ownership by action of individual nations. It is the solution favored by most of the men whom the gentlemen of the Opposition have quoted. It is both a sufficient solution, and a practical one.

Affirmative Rejoinder, Karl Karg, Jr.
Bowling Green State College

LADIES AND GENTLEMEN: In this final speech, I am allotted five minutes. Since time is so short, I shall attempt merely to align the cases as presented, and allow you to weigh them one against the other. You can be the judge and can render your own decision in respect to the problem involved. As heretofore stated, if, this afternoon, we have succeeded in opening this question that you may view its many angles of approach, and think intelligently upon this most vital question, then we have achieved our purpose.

First, however, I should like to spend a few minutes in refutation of some things presented in the last Negative speech. The gentleman devoted the major part of his time to showing that in the past treaties have been short-lived, and never truly effective. Allow me to read for you an interesting piece of evidence found in the article *Arms and the Men* which appeared in the *Fortune Magazine*, March, 1934. Quote: "Inevitably, after the war, Hungary caught the itch to re-arm. The treaty of Trianon, by which she made peace with the Allies and associated powers, forbade it. Schneider-Creusot, however, was above treaties. Hungary got the money with which to place a large order with Skoda, the Schneider-Creusot subsidiary in Czechoslovakia—got it through the Manque Generale de Credit Hongrois; which in turn is financed by the Banque de l'Union Parisienne, of which Eugene Schneider is a director. Thus it was that Schneider contrived once again to circumvent his own government and re-arm a nation that France had spent blood and treasure in the attempt to disarm."

Now, if you will recall, the Negative is in favor of a system of government ownership as is the Affirmative. Under a system of government monopoly, the private manufacturer who has heretofore been one of the great factors in bringing about the abrogation of arms treaties is eliminated. Therefore, it is only logical to assume that treaties will have a greater chance to function in the future than they have had in the past. By the weight of their own arguments in favor of government ownership, the Negative, therefore, destroy a

great deal of the validity of their final Negative speech.

In these final minutes, allow me to summarize the two cases for you. In my first constructive speech, I pointed out that since the private munitions manufacturer had used unethical and devilishly inhuman methods to further his own profit-motivated interests, the Affirmative suggested government monopoly to erase him completely from the picture. However, since there are certain evils which are beyond the control of government itself, the Affirmative further suggested that an international agreement was imperative and practicable. The first Negative speaker told us they were willing to go ninety per cent of the way with us since they, too, were in favor of nationalization of all arms and munitions. Immediately, the debate narrowed down to a discussion of whether or not under a system of government monopoly, an international agreement to prevent the international shipment of arms and munitions was necessary in order to eradicate other evils. The speaker then went on to show that under our policy certain other major evils would exist. They were: first, certain conditions would be intensified in the fact that political sore spots would be created throughout the world; second, such a policy does not eliminate the fundamental causes of war; third, that certain injustices to small countries would come as a result of such an agreement. The next speaker, my colleague of the Affirmative, attempted to show you that since there were certain evils beyond the power of government monopoly to control, an international agreement was necessary. He went on to point out

that under such a policy we were alleviating the possibility of nations conspiring for the purpose of taking another nation; and under our policy it would be more possible for a nation to maintain neutrality in the case of future wars. The final Negative speaker devoted his time to showing you that treaties in the past had not established a precedent upon which we could base the assumption that our treaty would work in the future.

In conclusion, my friends, let me again say that if we have successfully opened this question so that you can see its many angles of approach, and have encouraged you to think intelligently on the question, we have accomplished the purpose of this debate.

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APPENDICES

APPENDIX I

Topic Index of Debate Subjects Appearing in the Various Volumes of "Intercollegiate Debates"

Volume numbers are indicated after the subjects

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"Intercollegiate Debates"

*Volume numbers in which the various colleges have
had contributions follow the names*

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In a recent issue of the Wisconsin Library Bulletin this series is recommended as a standard source for platform material and is characterized as "probably holding first place in the list of *never to be superseded stand-bys*." The series comprises *eight volumes*, as follows:

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Selections Chosen for Declamation Contests
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