



1938

Rule by Pressure Groups, 1938

Francis Mairs Huntington-Wilson

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Rule by Pressure Groups

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Throughout its long history the federal government at Washington has been notable for the absence from it of any official financial scandal. Certain occurrences under the Harding administration were a seven days' wonder to the nation, accustomed as it was to crude graft in municipal affairs. Some able senators (when such were more numerous than today) would occasionally vote to benefit some "interest" which they had reason to favor; but on nearly all measures the country had the advantage of their wise and impartial judgment and was the better off for it. Votes, not money, have been Washington's currency. "Log-rolling", that is mutual support of one another's vote-catching projects, have been its technique, as has been commonly the case in State legislatures. Those whose votes were to be got were the pressure groups of the day, the precursors of the still more formidable ones of the present day.

Directly elected judges are found generally inferior to appointed ones. Similarly, directly elected senators have, on the whole, proved inferior to senators chosen, as formerly, by legislatures. Members of legislatures were supposed to be somewhat above the average of the electorate in character, ability, and knowledge; less amenable than the mass of men to demagogic appeal. Direct elections had cleared the way for the demagogue. The raising of the salaries and perquisites of members of congress to a handsome scale, -- ^{sometimes probably} ~~often~~ a good deal more than the individual could earn in private life, -- sharpened the struggle to go to Washington.

From many factors in the national life such as those we have glanced at, certain things were bound to result. Among them are self-centered indifference to public affairs and the duties of citizenship;

lack of authentic public opinion; the domination of public policy and, indeed, of a great part of the economic and social life of the people, by pressure-groups; and the emergence of the demagogue upon the political stage.

The technique of stirring inter-group hostility for political advantage, along with the pleasing idea of "soaking the rich" for the benefit of the poor, is as ancient as the political history of man. It is the demagogue's principal stock in trade and the unfailing trick for hypnotizing the mass of men. It has always had ruinous consequences,-- especially to its dupes, the poor. There was some of this political technique under Andrew Jackson, who seems to have bequeathed his weaknesses rather than his virtues to the presidential office. It was exhibited again by Bryan. Theodore Roosevelt, after all his splendid work, when overwhelmed by ambition for a third term, fell prey to the demagogic method when he proposed such obviously unsound things as the recall of judges and of judicial decisions. But it remained for first, Huey Long, and then Franklin Roosevelt, to bring demagogy to ~~its full~~ flower in the United States.

Chap 22 PRESSURE GROUPS GOVERNMENT.

When we come to

In considering some of the realities of foreign relations we shall see that the League of Nations ideal of collective security is no reality; that in world affairs governments ^{usually} act as selfish pressure groups, oblivious of the good of the world at large; that international relations are the interaction of these contending pressures; and that it is the force that is the resultant of these pressures, rather than any cooperation for peace justice and the general good of all nations, that affects the lives and the destiny of peoples, insofar as international relations affect them.

Some of the pressure-group nations are ruled by single leaders or small cliques. Union in purpose, even if imposed, gives these strength. In ruthless pursuit of their ambitions, some of these governments ^{have at times} set at naught observance of treaties and international law. ^{with} ~~With~~ contempt of the restraints of conventional traditions of ^{international} ~~decent~~ behavior, they "express themselves" in a spirit worthy of our most modern sophomoric youth. To do these things is to discard so much of civilization as has been gradually won in the international field; for where moral rules are set aside, where might makes right, and where the end justifies any means whatever, there is barbarism. Unfortunately this very ruthlessness and irresponsibility are elements of strength in the pursuit of present purposes. Other nations and their governments are weakened by the divided counsels of democracy; and, in the international struggle, the very scruples and humanitarianisms of free peoples place them at a disadvantage.

Civilization means primarily the ability and practice of a community of individuals to live a fairly orderly life in a reasonable degree of security and of equitable satisfaction of their wants, under some system of institutions, laws and customs adapted to the community and its circumstances. If the members of a community were all wise and good, they could enjoy this civilization without government, which represents force, to compel the necessary conformity to law. That would be the philosophical ideal of anarchy. But we know that the members of a community are in large proportion not very good and exceedingly far from being wise or very well informed or very intelligent; and that therefore some degree of government, i.e. compulsion, is required to maintain order and assure a measure of civilization.

There is much analogy between the community of nations and one nation, which is a community of individuals. The idea that a governing force was required to prevent anarchy (in the popular sense of lawless violence) in the community of nations, was the basis of the League of Nations idea, just as government is conceived to be the alternative of anarchy in a community of individuals. The League, especially for its Assembly, borrowed from democracy the fiction of equality; also equal suffrage irrespective of qualification. And notwithstanding its Council, with a rotation of membership, its theory was that of a direct, rather than a representative, democracy. The failure of the League left international anarchy in the Mediterranean and the Far East and the threat of it elsewhere,-- until such time as the law-abiding and reasonable nations should regain preponderance of force and solidarity in defence of international civilization.

Looking at the domestic scene we see civilization, in the same sense of reasonable security, orderly life, and equitable satisfaction of wants, at a low ebb also within many nations. We see a melancholy similarity between the international situation and the situation, for example, in the United States.

Powerful pressure groups, wholly self-centered, have been increasingly supplying the dynamics of American politics. It is the resultant force of contending pressures, rather than any clear conception of the general good of the nation, that usually determines American policies and affects the lives and destiny of the American people, insofar as government policies affect them. This is because our Government, including most of our elected representatives, yield to those pressure groups they think can supply most votes to keep them in office. Our pressure groups are commonly guided and ruled by individuals and small cliques. Their unity gives them strength. Boundless ambitions and selfishness, with indifference to or ignorance of what is good for the whole people, and sometimes fanaticism, guide them. Their zeal begets ruthlessness and disrespect for law and honor; and this, too, is an element of their strength. But it strikes at the roots of civilization within the nation, for where moral rules are set aside, where might makes right, and the end justifies any means, whether in the councils of labor or of business or government, and even at the ballot box, there barbarism within the nation begins.

To make matters worse, the New Deal Administration has itself become a gigantic pressure group of unprecedented power.

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Would sensible citizens turn to Congress, to their governors, to their legislatures, to their political parties, for escape from ruinous policies? They find that their parties, their representatives, their candidates, down to the very individual office-seeker or office-holder, ~~are~~ are, with ~~some~~ honorable exceptions, -- just selfish pressure groups. We have even religious and racial pressure groups. And when we turn to our newspapers for news and views on public matters, we find even these ^{very much} influenced and limited to ~~some extent~~ by still another pressure group, the big advertisers on whom their revenues depend.

Inasmuch as we are governed in this way, it ^{would} ~~will~~ be far better for everyone if all this more or less serruptitious and hidden machinery of actual government ^{could} ~~can~~ be brought out into the open and directed into legitimate channels. Any device that ^{would} ~~will~~ accomplish this ^{would} ~~will~~ give the public the data for forming a real public opinion. It ^{would} ~~will~~ hamper the politician's game of playing one interest against another for his own personal ends. It ^{would} ~~will~~ show up each high-pressure minority group as to its true relative importance and reasonableness. There appears to be no doubt that selfish group interests, propaganda and lobbies are, according to their lights, doing everything in their power to gain unfair advantages, -- and ^{with little} ~~without~~ regard to the welfare of anyone else. ^{or of the nation} ~~Such are their intentions. Let us now see whether~~ ~~they are not also defeating their own purposes.~~ ^{In another place we shall consider a mode of dealing at least with}

For example, it is customary for other labor unions to back the demands of any labor union, by moral support and even sometimes by sympathetic strikes, without any careful examination of the justice

of the demands of the striking union. This is considered acting for "the good of the cause", as showing solidarity and the common interest of all labor in always advocating higher wages. It is known that some tight little unions have imposed a wage-scale that is exorbitant even in the opinion of labor leaders, and that deters people from employing the labor in question, because the cost is prohibitive where that union dominates.

As a purely theoretical illustration, suppose the coal miner supports the building trades in boosting their wages; and the building trades encourage the coal miner (assuming ~~he~~ is already well paid) to demand more dollars. When the miner wants to build, buy or rent a house, he will find the cost to him exceedingly high. When the plasterer, let us say, comes to buy his winter coal, he will be horrified at the price of coal. And so it goes through the whole gamut of wages and prices. Every time a workman spends a dollar he is helping pay the wages of every other workman who has helped produce the goods or services he buys. The higher those wages the higher the prices; the less he gets for his dollar. It is therefore of vital interest to each workman that the wages of other workmen be not unreasonably high.

Owners and executives of manufacturing companies similarly incline to rejoice in high prices for their products. Executives seem to think the sky is the limit for reward of their services. Landlords want high rents. Yet every time any one of the individuals concerned spends a dollar, he is helping pay (besides wages) the dividends,

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salaries, rents and all other items that enter into the prices of the goods and services that he buys. The higher all those are the higher the prices; the less he gets for his dollar. It is therefore of vital interest to everyone that none of these charges be unreasonably high.

All this jacking up of wages, salaries and prices gets nobody anywhere in the long run. The only beneficiaries are those who, for a short time, may be able to get unjustly high returns at the expense of the rest of the population. Wages and salaries and other incomes mean nothing when expressed in so many dollars. Their only real meaning is in what the dollars will buy. It at a given time three dollars a day will buy more groceries, lodging, clothing and incidentals, and will allow a higher percentage of saving, than ten dollars a day will in other times and circumstances, then three dollars is the better wage. Great captains of industry and organized labor often find themselves at one in advocating ever higher money wages, labor, when it does not look beyond the number of dollars in the pay envelope; industrial leaders, when they argue that the bigger the pay the more of their product the recipient can buy.

Now if every employee of the automobile industry were going to spend all his money in buying automobiles, then it would not matter how much he was paid, for it would all come back to the company. There would be a ceaseless flow of money from the company to the worker and back to the company, and the amount of it would make no difference to anyone concerned so long as the worker had enough to buy his automobile. But the automobile worker does not spend all his

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pay in buying automobiles. Suppose his pay is very high, for example, then if the pay of all those who produce the goods he has to buy is also very high, the prices of those goods will be very high, and his own high pay will not go far.

The philosophy of felicity through ever higher wages, salaries, incomes and prices is the economics of lifting oneself by the straps of his boots. Every increase in dollar compensation brings corresponding rises in costs and prices. These cancel out the advantage of receiving more dollars and leave the individual with as little or less purchasing power (the only thing that counts) than before. It is of course worst of all for those with fixed dollar incomes. They can hope for no increased income to enable them to tag along after the procession of soaring prices. Their purchasing power and standard of living must steadily sink.

The economic merry-go-round of more dollars for everyone and consequently more dollar purchasing power; of spending, not saving, and so of spinning gayly ever upward towards universal luxury and well-being, is only an alluring fallacy - a mirage. Yet it is today a potent factor in private aims and public policy in our country. Since dollar prices must of necessity rise usually faster than constantly rising dollar incomes, the people at large gain nothing in their power to purchase goods and services, and their high wages become a mockery. The pursuit of more and more dollars is a will-o'-the-wisp. Raising wages and prices is like doubling both sides of an equation. ~~Conduct~~ ^{Policy} based on this philosophy does not raise or maintain the standard of living. It does raise the money prices of

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American goods and services to every one in this country. It is also a detriment to our export trade. The few most highly mechanized industries appear exceptions to the rule; but there low prices are had at the cost of great reductions in the employment of men.

Any device that would bring such facts to general attention should go far towards making a sane economy in this country. ~~Neither parliamentary proportional representation in the official government nor any other fundamental change is suggested.~~ If each State set up a semi-official economic council, representative of all its important interests; if each great region did likewise, drawing upon the State councils; and if from these were chosen delegates to form a national economic council, a great self-educational and policy-directing task could be accomplished. If in such councils representatives of owners, workers and managers in all the principal industries should sit down together and all pass upon the problems of each, the real community of interest would appear. A rise in wages sought here, in salaries, or prices or tariff there; here an expansion or increased capitalization, or an extravagant advertising campaign,-- all such questions would be discussed cheek by jowl by representatives of labor, capital and management of all the principal industries. Demands in each particular case would be tempered by the defensive arguments of others adversely affected. It would at last dawn upon all concerned that each individual is a consumer above all, and that exorbitant costs in the case of one product hurt everyone except, for a time, the producers of that one product.

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Such an economic council need be only semi-official. Bodies like the national chamber of commerce, industrial, trade and labor organizations, research institutions, agricultural associations and so on could help form, indeed be merged in, the council. It is notorious that we now have too many organizations, duplicating each other's work, over-lapping in their fields of endeavor. The proposed council would seek to coordinate and bring to bear upon national problems the sum of our knowledge and wisdom on each subject. The publication of the council's conclusion upon any disputed question, with the gist of their reasoning, should powerfully affect public opinion and governmental action, ~~without~~ needing to have any legal authority.

All existing lobbies at Washington should be invited by the council to present their arguments first to it. Advocates of fantastic payments to able-bodied ex-soldiers, or of other vast expenditures of government money, would have to confront their fellow-tax-payers, whose incomes they seek indirectly to appropriate. Advocates of extreme inflation would have to confront those who object to having the purchasing power of their savings destroyed. It would be realized that purchasing power is one thing that is very important to everyone, since everyone is a consumer; that the Government's credit is vital to all; and that the interests of debtors and creditors, of workers and owners, are by no means too far apart for the striking of a just balance between them.

So-and-so's wild desire to be president and so-and-so's inordinate love of being senator or representative are really of no

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importance to the nation. Yet vitally important policies are determined by this unimportant seeking to gain and to hold office. The results must be of the worst unless there be a way to bring to bear the pressure of a real public opinion. A national economic council would be a ~~most~~ useful buffer between special interests of every variety and the government. It could give a clue to statesmanship. It might bring a sane economy out of the prevailing chaos.