Why American Business Is Constantly Pounded

James A. Emery, Counsel for Council of Industrial Defense, Discusses Influences at Work in Congress and State Legislatures

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ing charge of them, supported by committee associates on the floor, they possess the largest amount of information, control the time and the speakers, and thus guide the measure through the House.

"Can it not be asserted as axiomatic that successful legislation requires the fullest understanding of the subject to be regulated? Will it therefore not be impracticable and unworkable in exact ordinances with inexperience, the unfitness, the lack of knowledge that the lawmaker brings to his task?"

"I assert as a legislative fact that the representation in the last Congress and in the present, most influential in shaping the policies under which present-day industrial America must live, and move, and have its being, is nonindustrial in its environment and in its inexperience and sometimes anti-industrial in its political attachment."

"This is an industrial nation. Industry has been the chief source of its material growth. Its development and attendant trade, with the accompanying educational advancement and financial standing, have made us one of the first business nations of the world."

"In 1820 10 per cent. of our population was engaged in industry; 83 per cent. in agriculture. Since that time the number of those engaged in agriculture has increased 600 per cent.; in manufacture 3,100 per cent. In 1916 the gross production of our farms was valued at more than ten billion dollars; of our factories at some twenty-four billion, four billion more than the value of the combined production of manufactured commodities by Great Britain and Germany."

"The Sixty-third Congress enacted a series of anti-trust acts regulating not only the operation and relationship of industrial combinations to each other, but the conduct of their employees during industrial disputes, undertaking to limit the judicial protection for life and property under such circumstances. That legislation was inspired, shaped and pressed by the Representatives of nonindustrial constituencies with the least understanding and experience with and stake in the critical problem at issue. The Sixty-third Congress was composed of 435 members, the majority party possessing 250. Of these 150 were from Northern and Western States in which the urban or industrial population outnumbered the rural about eleven to two. One hundred and twenty-five were from Southern States, with an industrial and urban population of approximately six million, and a rural and nonindustrial population of substantially twenty-three million. One-hundred and sixty-five would seem to be a majority over 125, and you would therefore say that in the dominant party the industrial States were more than amply represented in control. But it must be remembered that important legislation is not made on the floor of either house, but in the great committees. Of the 125 members from the nonindustrial States thirty-four were Chairmen of the most important of the fifty-eight committees of the House, excepting only Appropriations, Mines, and Pensions. The situation is substantially true in the present Congress."

"In the Senate, in the last Congress, as in the present, the same nonindustrial States possessed the Chairmanship of the Committees on Appropriations, Banking and Currency, Claims, Commerce, Conservation of Natural Resources, Education and Labor, Finance, (which handles the tariff question), Immigration, Judiciary, National Banks, Naval Affairs, Patents, Post Offices, Public Buildings and Grounds, Public Health and Quarantine, and Rules."

"In the Sixty-third Congress the tremendously important Federal Trade Commission act was in charge of a Senator who represented a State which contains less than one-tenth of 1 per cent. of the wage-earners of the United States, and contributes less than 1 per cent. of our industrial production."

"The twelve leading industrial States of the Union—California, Indiana, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New York, New Jersey, Ohio, Pennsylvania, and Wisconsin—have contributed to the membership of the subcommittee of the House which first formulated the trust legislation, nor, with a single exception, were those States represented in the majority of the conference committees of the House or the Senate which practically remade the Trust Commission and Clayton acts. Yet those twelve States hold a dominant interest in American industry. Their production is the largest factor in American wealth, the largest maker of employments for American labor. They possess three-fifths of our voters, 50 per cent. of our population, 50 per cent. of our farm values, five-sixths of our wage-earners, produce three-fourths of our manufactured products, and in 1915 contributed to the support of our Government approximately $305,500,000 of the $415,000,000 of internal revenue tax; $35,000,000 of the $41,000,000 personal income tax; they are the home of 102,000 business corporations of the $174,000 with taxable incomes; and they hold in their banks $4,000,000,000 of the $5,000,000,000 odd of the saving deposits of the country."

"These States, politically inconsequent in originating and molding the rule of business life under which they must operate, possess 250 of the 435 Representatives. They hold the vast industrial wealth-making majority, yet they are politically a minority in actual legislative influence."

"The severest restrictive regulation of industry and commerce was formulated by a majority representation and influence, which, however able, well intentioned and sincere, were qualified by neither experience, environment, or knowledge to fix the rule for the development of industrial life. On the contrary, by the inevitable law of human nature, they have written into that statute a native prejudice against large things because of their size, against industrial things because of their nature, against corporate things because of their name."