

actively interceded in behalf of the exploited workers around San Francisco Bay. Oakland was a little more tolerant toward them than South Carolina would have been toward William Lloyd Garrison and his fellow-Abolitionists, but felt very much as respectable Boston felt toward those New England agitators a hundred years ago, and for substantially the same reasons. California is, industrially, a sort of seasonal slave State, and whoever touches upon this situation so as to imperil the "institution" will be railroaded to the penitentiary by any possible means. And whoever dares say anything about it risks his living, if not his life.

Los Angeles, accordingly, is undisturbed when a cordon of police break into a privately owned hall where a banquet has been prepared for William Z. Foster, recently candidate of the Workers' Party of America for the Presidency of the United States. Not only do they drive out the guests and hosts with gas fumes, but they proceed to wreck tables, to smash chairs into fragments, to destroy the piano and other valuable furnishings, and to tear the very light fixtures from the ceiling, in such a fury of lawlessness that even the Communists, accustomed to official disregard of law and Constitution, are abashed at the frenzy which they behold. Not a church mentions the incident, so far as I have heard or read, unless it be that certain respectable Jews have protested against this invasion of a neighborhood wherein their kindred abound. Our Christian mayor is apparently unconcerned.

Worse than the Mooney-Billings case, which belongs in the same category, is the more recent but as yet unadvertised case of Frank Spector and his fellows, sent to the San Quentin Penitentiary a few months ago for terms of from three to forty-two years for having attempted the industrial organization of the exploited labor of the Imperial Valley. The case has not stirred a breath of protest among

the churches or in respectable circles generally. The exploitation of field labor in California in 1931 is accepted as casually and deliberately as ever African slavery was in the South; when attacked, it is as virulently and as tyrannically defended. At Christmas of last year I stood in a cotton field near Brawley and watched men, women, and young children picking cotton under conditions that would be incredible to most of the American people. The manager himself volunteered to show me the hardships of the work, and informed me, with evidently honest sympathy, that it took eight hours of hard labor to pick a hundred pounds of cotton, and that the work was paid for at the rate of seventy-five cents a hundred pounds. Frank Spector I know personally, and Garrison himself was not a more unselfish, devoted, or heroic man. The trial was on a level with the meanest manifestations of legalized mobbery of the anti-slavery agitators of a century ago. Yet the "best people" of the Imperial Valley, as I know by more than one season of sojourning among them, are charming people, as charming as the aristocracy of the South ever was.

Yes, California is civilized. That is what is the matter with it; its civilization, economically considered, is the legal, political, and disciplinary ascendancy of a ruling class which lives by the exploitation of labor, and especially of unskilled labor. It shows plainly how amiable and charming in personal relations the ruling class may be in a civilization like this, which yet rests upon conditions of labor exploitation that cannot be changed without serious disturbance of the established order. However inhuman those conditions, then, no one may say anything about them without paying a price—a price which in this Lenten season our most cultivated and companionable church people are celebrating in a pleasantly vicarious way.

## How to Control Public Utilities

By GUIDO H. MARX

**T**HERE is no other field of public interest in which there is so complete, effective, and continuously operating machinery for the dissemination of misinformation and silencing of opposition as in the domain of the public utilities. Despite the revelations of the Federal Trade Commission's investigation, the public mind on many crucial points is ill-informed and confused. This is noticeably true in regard to the question of federal control versus State regulation. That there are honest advocates of State regulation, particularly among those who hold to an unquestioning States'-rights doctrine, it would be folly to deny. But what is more to the point is that this policy is advocated also by all those whose purpose it is to defeat genuine efforts at adequate regulation, and this precisely because they recognize the demonstrated inability of the individual States to cope with the problem.

A glance at the scope of the jurisdiction of State regulatory commissions over privately owned electric light and power companies will disclose the chaotic condition. One State, Delaware, has no commission. State regulation cannot apply to the District of Columbia, the territories, or what we politely term our dependencies. According to

Mosher's standard book on "Electric Utilities," twenty-two of the State commissions have no jurisdiction over capitalization and issue of securities; seven have none over valuation for rate-making; seven, none over rates and rate schedules; fourteen, none over accounting; eleven, none over annual reports; seven, none over service; and so it goes. There is no need of elaborating the confusion. The possibility of getting uniform State codes of law and procedure, and in addition effective ones, may be set down as zero. Nothing in the past history of regulatory legislation justifies belief that those who profit by this situation of confusion and twilight zones would, without a bitter, prolonged, and adroit fight, permit the adoption of any measures to rectify it.

But even assuming that uniformly adequate powers were won, State regulatory bodies would still have no jurisdiction over companies engaged in interstate transmission (a matter of continually increasing importance in these days of developing super-power systems), and no effective control over those with financial affiliations (operating, management, or holding corporations) of an interstate or extrastate character. In brief, there would be left to them for exercise of their regulative powers only strictly local enter-

prises. It does not take a vivid imagination to picture how many of these there would be in a field where they are already a disappearing factor.

We have also a whole series of other elements tending to limit or defeat the protection of the rights and interests of the general public. As a rule the State commissions have inadequate funds and staffs to make the necessary and thorough investigations of accounts and physical properties. This may be one of the reasons for a growing tendency on their part to refuse to initiate proceedings and to confine themselves to an exercise of judicial functions, thus helping to bring about the very condition they were created to correct and placing the effort and cost of extensive case preparation and presentation on private individuals or municipalities. Court decisions—particularly in the matter of valuations based on reproduction cost, new, less depreciation—in a world of continuing fluctuation of prices have also set the stage for an endless series of entanglements.

Next we have a very great likelihood of the control of these minor commissioners by the very utilities they are supposed to regulate, and this whether they hold office by appointment or by election. The salaries in all but a very few cases, as New York and Pennsylvania, are not such as to attract outstanding men, nor can the large group of appointees be subjected to such public scrutiny as might be given to the few members of a single federal body. There have been, and are, many able and devoted men serving at considerable sacrifice on these State commissions, and the present writer would not have these paragraphs reflect in any manner upon them. Some of the commissions have outstanding records, but even a State which has been able to boast of an Eshelman and a Seavey has had others less conspicuous. It has not been outside the range of experience in some States that governors have felt obligated to appoint commissioners at the behest of utilities in return for financed campaign deficits. Separate local bodies of limited jurisdiction, staff, and financial resources are more easily dealt with by great national organizations. In brief, the advocates of State regulation are not unacquainted with the merits of separating your faggots.

The policies of the national organization of State utility commissioners have scarcely been such as to inspire one with great respect for their zeal for the general public interest. To quote Mosher: "It cannot be denied that the association has great potential value, but to date its social usefulness has been limited." "In reading the annual reports one is struck with the lack of discernment in passing judgment on defects and limitations of the existing methods of control." What living interest in the public welfare is to be expected from an organization which has no keener sense of the proprieties than to accept financial support, according to the Federal Trade Commission hearings, from the National Electric Light Association, one of the chief propaganda instruments of the utilities to be regulated? (In passing, it might be stated that the national societies of both the electrical and the mechanical engineers appear to be dominated by large corporate and utility groups and not to be as sensitive to the interests of their membership at large as could be wished. Engineers should throw off this pall of fear and intimidation.)

Even such a brief summary as the foregoing, which could be indefinitely expanded and documented, shows con-

clusively why those who do *not* want adequate regulation are all for "State regulation."

There is nothing of more widespread importance to a modern industrial nation than energy, commonly spoken of as power, whether it be derived from coal, oil, gas, water, oil shale, or peat. Whoever controls the energy resources, economically controls the nation. The problem of energy supply in our country is rapidly becoming one of interlocking super-power systems using both water and fuel sources. This is a national problem which can and must be handled nationally as a unified problem. Matters of valuation and rate regulation, vitally important to general welfare as they are, are only some of its elements. A national planning system must be devised for national resources irrespective of artificial political barriers such as State lines. But the first step would be to make all physically or financially interlocked groups directly and strictly amenable to federal control, and to broaden the powers and enlarge the staff of the Federal Power Commission to enable it to handle this large task as well as those already placed on its shoulders by present laws. The utmost vigilance should be exercised in scrutinizing the men nominated to perform so important a function, to insure that they be men of capacity and social vision, dominated by zeal for the general welfare, and absolutely free from all purpose to sabotage the laws they are set to enforce. "Put all your eggs in one basket," said Andrew Carnegie, "*and watch the basket.*" Advocates of States' rights, sincere and insincere alike, can be counted upon to fight this plan to the last ditch. The plan, if adopted, would work only if there were on the part of the utilities an honest and sincere acceptance of effective regulation. Otherwise it would work until the utilities, twenty-four hours on the job each day, either captured the regulators, wore down their morale, or adroitly devised other means of beating the game. From our national experience with anti-trust legislation, the latter course is what is more reasonably to be expected, and this for two reasons. The first is that the temptations of the opportunities of exploitation that lie in the domain of private ownership of natural monopolies are too strong for men of business enterprise to resist. The second may be stated in the form of a question: Can one man *really* regulate another man's business? Such a question, to be sure, completely overlooks the fact that the public-utility business is really a partnership between capital and the public—a partnership to which the public makes contributions of the most essential and valuable character, in return for which it demands, with entire justice, complete knowledge of all the facts of the business together with full protection of its interests. In many cases it may be said with practical truth that it furnishes the capital as well. But these are facts which the so-called private owners wish to have forgotten, and it is probably unkind to mention them.

Federal regulation and national planning are undoubtedly the next steps, but I have no belief that they offer anything like a stable solution. Rather I would say: The right of eminent domain and the taxing power, to which it is closely related, are both distinctive features of government. Human history has taught us that these powers can never safely be alienated from the state and transferred into private hands. The farming-out of taxes, direct or disguised, has always led to oppression and disaster.

There are certain enterprises which by their very nature require the right of eminent domain, using that term in a

broad sense—enterprises such as highways, bridges, railways, and those whose systems of pipes, cables, or wires require continuity over broad areas and, in especial, right of way under, in, or over the publicly owned roadways. All such enterprises require a concession of some of the sovereign functions of government, many of them necessarily exclusive and monopolistic. Such concessions once granted, call them franchises or what you will, are an alienation of sovereignty and carry with them indirectly but inevitably the taxing power. This is a power which should never pass out of the hands of government—even with the specious but deceptive

check of regulation. All those enterprises which, dealing with essentials of modern existence, require the more or less exclusive use of the public property for their operation, and are thereby naturally sovereign in character, should be publicly owned and operated. And this because all other means of economic control for the general welfare exercised by legislatures, courts, or commissions have proved inadequate to protect the public at large—in brief the state sovereign—against the evasions, exactions, and anti-social actions of highly organized, controlling groups operating under the dominant motive of private profit.

## Literature and the Reds

By CHARLES J. FINGER

NOT so long ago a certain silly man whose folly must leave him nameless—why use the public trumpets to herald stupidity?—delivered himself of a speech at a certain university, and told those who listened, or pretended to listen, or were too polite to show their impatience, that it was a good sign for young people to keep their eyes on the main chance, and not fill their heads with revolutionary stuff. There was much more of it, all nonsense.

I say that it was all nonsense, advisedly, talking from experience. For I, as I told the readers of the *American Mercury* recently, was of that happy crowd which had lived in the Age of Literary Appreciation in the latter 1880's, what time we interested ourselves in Home Rule; and in the Haymarket affair; and in Socialism with and under the leadership of William Morris, and Prince Kropotkin, and G. B. Shaw, and H. M. Hyndman; and in much more. We were hail-fellow-well-met with many—Annie Besant, Benjamin R. Tucker of Boston and "Liberty," Carpenter of "Toward Democracy," Henry George of "Progress and Poverty," Lawrence Gronlund, and many more besides. So we were busy, and if anyone had asked our opinion of Money, let us say, he might have received for an answer some saying from Thoreau relative to the ways of money-making leading directly downwards. Our heroes were Thoreau, who had written "Civil Disobedience"; and Walt Whitman, of "There the Great City Stands"; and Washington, who had said something about the possibility of government being a dangerous servant and a fearful master; and Jefferson, who had referred to a bloody watering of the tree of liberty; and Shelley, who had written incandescent pamphlets, distributing them by throwing them from windows at "likely-looking persons."

Now many are the professors who will tell you that the revolutionary Shelley is not the real Shelley, and that to follow the one is to miss the other, and much more; but I know otherwise. True it is, it may seem a far cry from the burning poem which begins

... wherefore plow  
For the lords that lay ye low?  
Wherefore weave, with toil and care  
The rich robes your tyrants wear?

to "Prometheus Unbound," with all its subtle beauty and grandeur, a poem that rolls on like the finest orchestral music. But "one step upwards lowers the Andes," say the

Chileans. Many of us, burning with enthusiasm for a new and a better society, took the step in those days of literary appreciation. True, we had not read Aeschylus, but what matter? We knew, as we knew patches of Homer, that Prometheus stood as friend of man and opponent of tyranny; that Zeus had chained him to a rock for his daring. So we were prepared for the allegory, and could follow much, identifying ourselves with Demogorgon, and determining to do that which might be done to dethrone the tyrant. We could, and did, set "Queen Mab" on a higher plane than critics said it should be set, and we did so because we found it a handy weapon to use against the enthroned tyrant of privilege. Because we revolted against things as they were, we read, and also understood, "The Revolt of Islam." And there is this: Shelley awoke in us the emotion he had experienced when he wrote; because of the reading of his poetry we were stirred to thought; because of an appetite awakened we opened vast volumes which we would certainly not otherwise have opened. And therein, I hold, lies at least part of the mission of great poetry.

The course lay clear then to Byron's "Childe Harold," to his "Corsair," to his "Cain," and to his iconoclastic "Don Juan." We rejoiced because Byron had left England for Greece to head the revolutionary forces there and we were glad when we read that he had visited the robber chieftain, Ali Pasha. To Southey, too, we went; and to Coleridge by consequence, because of their social enthusiasm—then, coming to "The Ancient Mariner" and to "Kubla Khan," we entered freely and simply into the land of fantasy, nor could ever after forget "caverns measureless to man," or ice that came floating by "as green as emerald." For we had come to discern beauty, as one discerns beauty in the sunrise, with no thought of the labor that the day would bring, but nevertheless fortified for that labor.

From revolution to literature! It reads queerly to bat-blind respectables, but such was the path for many. Because George Washington had said, "Government is not reason, it is not eloquence—it is force. Like fire it is a dangerous servant and a fearful master; never for a moment should it be left to irresponsible action"; and because Jefferson had said, "The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants"; therefore we were revolutionists at heart. And because we were revolutionists, we thrilled at William Morris's line, "We who

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