

ary, the labor truce had already been broken. A conflict had started in one of the coal-fields. The delegates of the railway men were discussing a strike. The English are expert compromisers, and the Government will probably intervene with the minimum concessions necessary if patriotic exhortations and empty promises will not keep the men at work. But already their callousness to the sacrifices and misery of their working class has sadly strained the *union sacrée*.

In all these European countries patriotism has proved a unifying ideal—an antidote to

the class war. It is a force which real statesmen would cherish and develop. But if politicians are to use "patriotism" as a magic word by which they can trick the common people into unusual sacrifices, they will inevitably find the workers becoming less patriotic.

The degree of venom and bitterness and violence which will mark the industrial conflicts after the war depends entirely on the statesmanship—or lack of it—which is exhibited by the ruling classes in the countries involved.

PARIS.

*The next article in this series will deal with  
"Business and the War."—THE EDITORS*

## HAVE CORPORATIONS MORAL NATURES?

BY CLARENCE F. BIRDSEYE

IT was an unfortunate day when, three hundred years ago, in the tenth year of King James the First of England (1613), Lord Coke declared from the bench that corporations aggregate, as distinguished from corporations sole, had no soul. His words, which now seem quaint, were:

For a corporation aggregate of many is invisible and immortal, and rests only in intendment and consideration of the law. They cannot commit treason, nor be outlawed nor excommunicate, for they have no souls; neither can they appear (in Court) in person, but by attorney. A corporation aggregate of many cannot do fealty, for an invisible body can neither be in person nor swear. It is not subject to imbecilities, death of the natural body, and divers other cases.

Thus crept into the law, and into the everyday thought of the English race, the notion that ordinary corporations, with officers and boards of directors, necessarily had no soul; although it was conceded that a corporation sole, such as the head of an English bishopric or parish church, had a soul.

This utterance of Lord Coke was bad law and contrary to the fact, and, moreover, was what the lawyers call an *obiter dictum*, for it was not a decision of any point involved in the case then before him. One Thomas Sutton had obtained a charter from King James authorizing him to turn his fine manor

property, the Charter House, into a hospital and school, but he had not actually founded the charity and turned the property over to it before the charter was issued. The question in Sutton's case was whether the founder of a charity could get a charter and then deed the property to the corporation; or must he first establish his hospital and turn the property over to it, and then get a charter? Lord Coke decided that the charter might come first, and so far the law which he laid down was perfect and is the foundation of modern legal practice. Because of this three-hundred-years-old decision, every modern lawyer nowadays assumes that he must form his corporation first, and then let it acquire its property. If Lord Coke's decision had been the other way, and had continued to be the law, we would have had to build our railways first and then ask for charters; to lay our gas and water mains or string our telephone wires, and then form companies to take them over.

But because Sutton's proposed hospital and school had nothing to do with a corporation's committing treason, or being outlawed or excommunicated, anything that Lord Coke might say about its having no soul because it could not commit treason, etc., had nothing to do with Sutton's case, except by way of illustration or argument; and hence it was not, in the eyes of the law, an authoritative

decision upon any point then before the Court, and need not be followed in subsequent cases. It was not good law in 1613, and has never been since. It was bad law because neither Lord Coke nor any one else knew precisely what a soul was, and hence no one, not even Coke himself, could tell what was meant by saying that these legal persons had no souls. No word in the course of human history has had more meanings put upon it than the word soul. It may denote a living human being, as a city of 10,000 souls, or some mental or moral attribute of such a person, or the spirit of a dead person. To various nations it has meant fire, or air, or the breath, or the heart, or the life. To Aristotle it was a faculty or attribute of the body, and he compared it to "the axness of an ax."

Lord Coke did not define the sense in which he used the word soul; nor did he perceive that even if a corporation does not possess a human soul, it may have a corporate soul. Another, following Coke, has said that a corporation has neither a body to be kicked nor a soul to be damned. Coke was so distinguished a figure in English law and history, and his dictum was so striking and pithy, that unfortunately that dictum has been thoughtlessly and almost universally accepted as correct; corporations aggregate have been presumed to be able to own property and exercise the most important human functions without having souls. Under this conception a human employer had a soul, but a corporate and immortal employer had none! The man who owned property and used it in ordinary business pursuits was endowed and possibly burdened with a soul; while his undying and aggressive corporate rival had none! This conception is bad law and contrary to the fact. For the past fifty years we have been endeavoring to make our corporations act in a soulful way, without perceiving that they could not do this unless they had souls.

Some time ago there was a fad of composite photography whereby, for example, the negatives of fifty members of a college class were blended into one picture which embodied the type of the whole. In the same sense the corporate soul will be found to be the composite of the human forces—legislative, administrative, financial, productive—which have organized it into life and which direct and control that life in its daily exercise of human functions in regard to the servants that it hires and the property which it controls.

The corporations of this country employ one-eighth of our total population, and that eighth earns more than the other seven-eighths. Outside of homes and farm lands the corporations own eighty per cent of our property and do over eighty per cent of our business. It is not conceivable that any man could endow these beings with so many of the human rights, duties, powers, and traits which he possesses, and not give them also a moral sense by which to exercise aright these human attributes. Otherwise they would be monstrosities. If corporate persons are to perform so many human functions, own so much human property, and employ so many human servants, they must also be capable of judging between right and wrong in conducting their lives and in making their own choices.

Unfortunately Lord Coke's dictum has apparently been borne out by the soulless conduct of many men temporarily in charge of corporate affairs. The most striking and far-reaching instance was that of Commodore Cornelius Vanderbilt, who deliberately enunciated and carried out, with all his usual vigor of mind, body, and language, the fixed policy of having the corporations which he controlled make litigation so vexatious and expensive that people would compromise at any terms rather than go into court. Few men have done more to advance the material interests of our country and of stock corporations than Commodore Vanderbilt. Yet few things have done so much harm to the corporations themselves as his plan of having them hire great corps of learned lawyers to split hairs and drag out litigation. Like Lord Coke, the Commodore was a strong personality, and his policies were usually so far-sighted and successful and he lived at such a formative period in the history of stock corporations that most of the large corporations, and especially the railways, adopted his plan as a matter of course, and thereby brought a terrible curse upon themselves and all their fellows, whether guilty or not. This Vanderbilt notion of corporate methods spread in other directions and thoroughly vitiated corporate practice until the awakening to saner and more soulful corporate ideals came, during President Roosevelt's Administration, to both corporations and corporation lawyers. The medicine then given is still working. When history comes to weigh Theodore Roosevelt's work, she will find nothing therein greater than his blocking of the soullessness

of the great corporations and of their lawyers, and the impetus which he gave to corporate soulfulness. The good effects of this work are already apparent to those acquainted with the facts, but its full fruition can come only after many years.

If Vanderbilt's corporations had adopted in this respect a human and a humane course, instead of a soulless one, our corporate history would have been far different. Commodore Vanderbilt carried out his policy in a high-handed way through some of the ablest lawyers of his time, who sought, in season and out of season, to defeat all claims, just or unjust, against their clients, and who carried the corporations into politics, often of the dirtiest kind. For a time the game was successful because it was not understood; but after a while the corporations found that they had become Ishmaels, with every man's hand against them in legal proceedings. Juries got the habit of rendering one kind of a verdict against a human defendant, and much larger ones against these legal persons that spent huge sums in trying to make a travesty of the law itself. Juries could rebuke the wrongful policy of the corporations only by giving damages which were, and were meant to be, punitive. The corporations quickly found that two could play at their game. Their soulless course, over which they had chuckled at first, soon turned into a Nemesis which met them at every turn. Some of the corporate culprits set up a howl that they could not get justice. They certainly did not deserve it, and usually they did not get it, but it was their own fault. It has been recently stated by an officer of a large trunk line system that, especially in Mississippi and Minnesota, his companies were losing about three and one-half per cent of their gross receipts yearly in trivial damage suits..

It cannot be stated too strongly that the corporations brought upon themselves the prejudices against them which grew stronger as their conduct was seen to be growing more and more unscrupulous and soulless. They sowed the wind, and certainly they have reaped the whirlwind; for no man can tell the untold billions of dollars of punitive damages, of direct and indirect losses, of unnecessary legal and other expenses, which the corporations of this country have incurred during the last fifty years through following Commodore Vanderbilt's example.

A corporation has a soul, just as it has a memory, an ideal, an object in life, a purpose,

and many other of the human attributes of man, its creator. In a sense a corporation is endowed with more of the best of humanity than any other creature. From its inception and on through its undying life it is the creature of and governed by human laws, and is served and molded and endowed and imbued with human powers by forceful men, whose spirit and work live on for it and in it long after they have left its service. It is no more the repository of human wealth than of human lives and love and sacrifice and intelligence and service. While in its inception it is a legal person, as we say, yet as the years go on it becomes more and more transformed into the likeness and endowed with the powers and functions of man, its creator, and of the men who have made and served it.

Acting under the State constitutions, human legislators enact laws governing the formation of corporations. Under such laws a certain number of human beings can organize a corporation for purposes which they humanly predetermine, and with certain rights, powers, privileges, and duties which they humanly foreordain. They can prescribe that their creature shall devote its powers, life, and property to the highest ideals or to the lowest aims; that it shall be a college or a church—or a saloon or Raines Law hotel. But can this corporate person follow high ideals or seek low aims unless it has a moral sense—a soul?

After it has come into being the corporation must be organized or set going by human agents, who make its by-laws, appoint its human directors and officers, and gather the money or property which it receives from its human stockholders or creditors. Its charter, by-laws, and other regulations govern all who come within its field, and apply to each new individual who joins its forces.

After all this, it must be further endowed by man with certain of the other human functions by which he, its creator, governs his own life and actions under similar circumstances. As a man must have a memory, so must his creature which is to perform so many of his human functions. It is as impossible to think of a man without a memory as it is to conceive of a corporation without that endowment. A corporation needs a memory for its efficient existence and to carry out its life's purpose just as much as a man does. Its memory is its records, and is complete and reliable just in proportion as its records cover accurately and fully all the

details of its daily life. The minutes of its directors and of its executive or other committees are one form of this memory; the records of its sales and purchases, its debts and its credits, are another form; its letters or other files, another; its catalogues, another; its cost and other accounts, still another. For example, a railway's memory is complete and accurate, under thousands of separate headings, under systems carefully worked out by the most skilled minds in the country, so that nothing of importance may escape from the attention and memory of this creature of man. A railway's records accurately preserve an account of the actions upon its behalf, day by day, of scores of thousands of its employees. Hundreds of millions of dollars are spent annually merely in keeping up the memories, the records, the book-keeping, of our corporations; and tens of millions more in improving or perfecting the form and action of these memories. Yet these expenditures are not so much to keep a record of the past as to provide a rule of action for the future, so that these creatures of man may, like their creator, have memories which will enable them to judge of the future by the past; and, like him, have the lamp of experience by which to guide their feet. It would be criminally wasteful to spend such huge sums merely to keep tab on the past—on the water that has gone under the bridge. As man seeks to educate himself and become efficient, so these corporate persons spend millions annually in increasing their own efficiency.

Most important of all in this creation and enrichment of men's creatures for the exercise of human functions is the ideal or spirit with which he endows it—for better or worse; the ideals by which its life shall be governed; the spirit which is to animate its conduct throughout the years; its policy. This can best be illustrated by some well-known examples of corporate ideals, deliberately formed and tenaciously held to.

Take, for instance, a certain telegraph company which was controlled for many years by two of the most unscrupulous and close-fisted men in New York City. Furthermore, its direct management was chiefly in the hands of officers who had started their business lives as messenger boys, and who still retained in large measure the manners and ideals of the street. As a result, there was a Bowery-boy spirit within the organization itself and toward the public. The employees were ill

paid, ill treated, and ill mannered—victims of a thoroughly bad corporate spirit or ideal.

Contrast this with the spirit and ideals which from the very beginning have been instilled into the conduct of the employees of the telephone companies. Twenty-five years ago I was brought into daily business contact with the men who were then striving to work out the business policy of the company in New York City. They fully realized that the telephone service was going largely into homes to be used constantly by women and children, and that its service must be a complete antithesis to that which then prevailed in the telegraph companies. Therefore every effort was used to improve the personnel of the company. Young college men and well-educated young women were employed. Liberal salaries were paid and everything possible was done, not only for the comfort and welfare of its human servants, but also to build up an *esprit de corps* and a pride in the company. At the same time a public-pleased policy was formulated, and suggestions for bettering the service were freely asked for and adopted. Lately this soulful ideal, this business policy, has come to its full fruition in the voluntary formation by the company of a \$10,000,000 fund for pensions and sick and death benefits for its employees.

Compare the business policy of absolute secrecy of the Standard Oil Company with the revolutionary business publicity of the United States Steel Corporation. Is there not here conclusive proof that each of these companies has an ability to form and follow out an ideal and soulful course of action which it considers wise and right?

Is it by mere accident that the Standard Oil Company, the greatest and almost the oldest of our trusts, never had a strike among its human employees, and that it is the only great industry or trust of which this can be said? Does this, perhaps, mean that in this regard it has shown wisdom and fair dealing—soulfulness—to a remarkable degree? And that John D. Rockefeller showed as striking genius in the treatment of all of the company's human employees as he did in building up the most wonderful and complete selling organization in the world?

Consider the Sugar Trust, the American Sugar Refining Company, the chief object for whose existence seemed—to the initiated—to be the power which it gave its head to



gamble unscrupulously in Wall Street by forcing its stock up and down at the expense of the public. No wonder the company was convicted of cheating the Government by bribery and false scales, and of maliciously and wickedly forcing its rivals out of business. Hundreds of other instances could be quoted where these abstract persons have demonstrated their ability to choose between evil courses and good, to do wrong or right, to observe or break the laws of man and God; all as a result of the spirit or ideal breathed into them by the men who have labored in their service. I repeat, therefore, that, in a sense, a great corporation is endowed with more of human qualities than any other creature.

Admittedly the conduct of many corporations is soulless and conscienceless, and this is the chief fault which we find with our corporations and trusts. We do not complain if they make mere errors of judgment, but that they purposely and knowingly do wrong. Do they oppress their human employees? It is the fault of their soul and conscience. Do they cheat and ill treat the public? The fault is of the same kind. Do they seek to crush out competition and establish grinding monopolies? It shows, not that they are without a conscience and soul, but merely that they are deliberately adopting and carrying out a wrong course, and that their soul is not on guard. Does some corporation act generously with its employees, look out for their daily well-being, pension them off in their old age, or provide for them in case of accident or illness? It is but a manifestation of the corporate soul. Has the corporation a high ideal and is it striving honestly to do good and to make good? That is but a shining forth of its soul and its ideals.

It is unfortunate that we have not realized that, in a blind way, and without understanding the philosophy of their course, the people of the State have for years been constantly striving to liberate the corporate soul and make it more manifest; to make it work more spontaneously and faithfully. We have made a start, in the good old English fashion, by agitation, by legislation, and by the pressure of public opinion. After a time, and probably with many setbacks and mistakes, we shall solve the problem set before us as a Nation and race, and we shall work out the question of the nature, functions, and limitations of the corporate soul, just as we have as a race and Nation worked out many

other questions relating to the rights of persons and property.

After all, what the public asks, and has a right to ask, is that the corporations shall give one further evidence that they have a soul by experiencing conversion according to the definition of conversion given by the Methodist bishop: "They must turn to the right—and keep right ahead."

To a certain extent soulfulness can be enforced upon the corporations by statute law; and man, the creator, has ample power to change the laws which govern the creation, multiplication, and control of his corporate creatures. To a much larger degree soulfulness must come from improved corporate ideals carried out by those in charge of each concern, and enforced by proper statutes and an enlightened public opinion. Since every statute which compels a corporation to do a right or prevents it from doing wrong develops its soul, the State takes a step in the right direction, and does not interfere with private rights, but exercises a public duty, whenever it compels corporations to safeguard the lives, limbs, and rights of their employees or of the public; when it prescribes better working methods or proper compensation in case of accidents. Every statute is benign which works to take away from the huge corporations and trusts their tendency to become juggernauts, or which helps or compels them to maintain a human and humane attitude towards their servants, according to the English Common Law ideals of the relations of master and servant.

Harvard College was founded in 1639, and has been justly called the mother of our colleges; and during these years she has also been Alma Mater who nourished at her breast thousands of students. Can she have been Alma Mater, the nourishing mother, the fostering mother, without a soul? The great thing about a college or university is its atmosphere; the spirit of the place which grips every one who comes within its walls. Is not this spirit, this atmosphere, its soul—so far as we are privileged to know what a soul is? Is it not a soul if it dominates the course of the institution itself and molds the character and souls of those who come there for education? Again take Harvard as an example. During her past two hundred and seventy-five years she has had many presidents and thousands of splendid, devoted, and learned teachers. Her life has been enriched by the lives, teachings, and exam-

ples of this noble band, by the tens of thousands of students who have grown under their touch, and by the many devoted benefactors who frequently gave out of their poverty through love of Harvard. Has Harvard lived through all these years without a soul? Nay, rather has not her soul grown year by year when fed by the best that was in the souls of those who live in and for her, and some of whom laid down their lives at her feet? No one human soul could equal Harvard's soul; for no single human life could equal her span of life, or grow wise and strong and great as she has done through the centuries. Are our colleges and universities, our churches, hospitals, homes, schools, and other charities without souls? Can they thrill us and inspire us, and mold our characters, and gain our undying love and fealty, and not have souls? Are not their souls the resultant composite of the human souls and minds that have given their best for and to them?

The secretary of a company is understood to be the keeper of the corporate soul. More and more the president and other executive officers and the directors must be made to realize, and to take pleasure and pride in realizing, that they are largely the keepers of the corporate soul; and hence responsible, to the public first, and then to the others interested in the corporation, for the highest possible action of that soul.

The president of a college with a student

body and faculty totaling a few hundred can easily feel that he is the keeper of the corporate soul. The pastor of a church can readily see that a large part of his duty is as the keeper for the time of the corporate soul. But how much higher and greater may be the responsibility and reward of the president of a huge railway system or industrial corporation—employing hundreds of thousands of men and directly touching their souls and homes—as the keeper of its corporate soul?

We shall have solved the problem of humanizing any particular corporation when every one who is at all responsible for its ideals, its business policy, its moral conduct, feels that to that extent he is directly accountable as the keeper of its corporate soul, and takes honest pride in the way in which he performs that great part of his life's work. It may be new doctrine that the keeping of the soul of a great stock corporation is as great and noble a task as the keeping of the soul of a college or church; but when that thought is fully worked out and grasped by the public, and by the strong men who manage our corporations and trusts, and by all others interested in them, it will be easier to distinguish between a good trust and a bad trust, and easier to cut out graft and overreaching and evil ways in the conduct of the affairs of great corporations; for then it will be perceived that high-mindedness and great soul power have the same functions in man's creature as in man himself.

## THE SPECTATOR SEES BILLY SUNDAY

"IF it were for grand opera," said the girl in green, exhaustedly, "I wouldn't do it; but it's for *religion*!"

She and her companion were just ahead of the Spectator in the long queue stretching from Door Number Four down the block until it met the crowds, on the cross-street above staid old Logan Square, banked against the long, low wooden walls of the big whale-back Tabernacle. Philadelphia had started out as usual that night to hear Billy Sunday—or, rather, it had started out that afternoon, for it was not nearly six o'clock yet. The Spectator's pass bore the notice to be at Door Number Four before six, though services began at eight. Yet even with a special

pass and before six, the queue was there ahead of him. What the people did who had no passes was revealed by a man in the line, who said with emphasis that he had no time to come without a pass. "The people begin coming in on the trains at five in the morning, some of them, and at seven there's a crowd at the doors, and they open at nine. Those that can't get in wait around until the afternoon service, and folks begin coming at noon to get in for the evening."



"The delegations of business workers don't have to come so early," said his companion. "My cousin is a Pennsylvania Rail-