

**GHENT  
WILLIAM  
JAMES**

OUR BENEVOLENT  
FEUDALISM

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# William J. Ghent

## Our Benevolent Feudalism

### PREFACE

The germ of this book was contained in an article published in the *Independent*, April 3, 1902. The wide interest which that article awakened prompted the elaboration and arrangement of its briefly considered and somewhat disjointed parts into the present form.

The chapters on "Our Makers of Law" and "Our Interpreters of Law" have been carefully read by a member of the New York Bar who has made a special study of the matters treated therein. Some of the decisions cited in the latter chapter are admitted to be those of subordinate courts in comparatively unimportant States. The intention, however, was to give a general view of judicial interpretation; and for that reason it became necessary to cite decisions of inferior as well as superior courts, and those from semi-industrial as well as industrial States.

As the book goes to press, the news is published that the anthracite magnates have yielded and made concessions to public sentiment. It is an act in harmony with the wiser forethought of most of the magnates of to-day, and it strengthens the general seigniorial position immeasurably.

# CHAPTER I

## Utopias and Other Forecasts

“The old order changeth, yielding place to new.” But what the new order shall be is a matter of some diversity of opinion. Whoever, blessed with hope, speculates upon the future of society, tends to imagine it in the form of his social ideals. It matters little what the current probabilities may be – the strong influence of the ideal warps the judgment. To Thomas More, though most tendencies of his time made for absolutism, the future was republican and communistic; and to Francis Bacon the present held the promise of a new Atlantis, despite the growing arrogance of the Crown and the submissiveness of the people.

The great diversity of social ideals produces a like diversity of social forecasts. All the soothsayers give different readings of the signs. Even those of the same school, who build the future in the light of the same dogmas, differ in regard to particulars of form and structure. How many forecasts of one sort or another have been given us, it is impossible to say. Mr. H. G. Wells, in a footnote to his “Anticipations,” complains of their scarcity. “Of quite serious forecasts and inductions of things to come,” he says, “the number is very small indeed; a suggestion or so of Mr. Herbert Spencer’s, Mr. Kidd’s ‘Social Evolution,’ some hints from Mr. Archdall Reid, some political

forecasts, German for the most part (Hartmann's 'Earth in the Twentieth Century,' *e. g.*), some incidental forecasts by Professor Langley (*Century Magazine*, December, 1884, *e. g.*), and such isolated computations as Professor Crookes's wheat warning and the various estimates of our coal supply, make almost a complete bibliography." But surely the Utopians, from Plato to Edward Bellamy, have given us "quite serious forecasts"; there is something of serious prophecy in both Karl Marx and Friedrich Engels, much more in Tolstoi and Peter Kropotkin; and the "Fabian Essays" are charged with it. Mr. Henry D. Lloyd's "Wealth against Commonwealth" closes with a brilliant and eloquent picture of a regenerated society, and Mr. Edmond Kelly's "Individualism and Collectivism" is in large part prophetic. All the social reformers who write books or articles give us engaging pictures of things as they are to be; and though the Philosophical Anarchists deal rather more largely with polemics than with prophecy, the Socialists are conspicuously definite and serious in their forecasts. Even the popular scientists – the astronomers, biologists, and anthropologists – often run into prediction; and in the pages of Richard A. Proctor, E. D. Cope, and Grant Allen, and of such living men as M. Camille Flammarion, Mr. Alfred Russell Wallace, and Professor W. J. McGee, we have frequent depictions of certain phases of the future.

Doubtless, any reader can add to this list. Of a surety, we have had no lack of forecasts of one sort or another;

and now we have some new contributions, – Mr. Wells’s “Anticipations,” Mr. Benjamin Kidd’s “Principles of Western Civilization,” two brief but sententious papers by Professor John B. Clark, on “The Society of the Future” and “A Modified Individualism” (published in the *Independent*), a definite Socialist prediction by Mr. Henry D. Lloyd, and a semi-Socialist one by Mr. Sidney Webb.

# I

Mr. Wells, in his lecture before the Royal Institution last January, put forth the thesis that, just as we can picture the general aspects of the earth in mesozoic times by a study of geology and paleontology, so by a study of the present sociological drift can we picture the society of a hundred years hence. He thereupon gives us "Anticipations" as a result of the more or less rigorous working out of this method. There is much to be said for the method, and its right employment might probably give us something of great value. Unfortunately, Mr. Wells forgets his thesis, and plunges into pure vaticination. He writes with a spirited aggressiveness, and his pictures are often vivid and impressive. But the greater part of his revelation is of a state of things which seems far removed from what would be produced by any current tendencies, actual or latent.

Mr. Kidd's predictions lack somewhat in definiteness of outline, and need not here concern us. Tolstoi, on the other hand, is specific. He dreams of a return to a more primitive manner of production, and a social change toward a status of Anarchist-Communism. He scoffs at the enormous diversity of wants made necessary by the growing intelligence and refinement of the race, and urges mankind to live more simply. "The town must be abandoned, the people must be sent away from the factories and into the country to work with their hands; the aim of every

man should be to satisfy all his wants himself." But the counsel falls upon heedless ears. Urged to live more simply, the race, impelled by natural and irresistible laws, yearly increases the sum of its wants. Science, art, and industry constantly pile up new commodities. Mankind finds that through them it secures longer and healthier, if not happier lives. It recognizes that by this increase of wants more human beings are employed, and that by a slight diminution thereof tens of thousands are thrown into idleness. And finally it recognizes that by a division of labor, in which natural aptitude in particular directions is sought to be secured, the greatest and most economical production follows. Under Anarchist-Communism and the performance of labor in the direction of each individual attempting to create the things needful for himself, there would be entailed upon us a productive waste vastly greater than that heretofore compelled by capitalism, diffusing a degree of want and consequent wretchedness at present unknown. There is no present indication that mankind will take this step.

Something better is to be said for Peter Kropotkin's ideal of a communistic union of shop industry and agriculture. In remote places, outside the current of factory industrialism, there are still survivals of this union, though the communistic feature is generally wanting. Doubtless, under any form of society, even a well-regulated State Socialism, this union would to some extent persist. But if there are any present tendencies toward its growth, they are but feeble and isolated. Kropotkin's recent

book, "Fields, Factories and Workshops," which was intended to sound the glad timbrel of rejoicing over the expansion of this movement, turns out to be a rather pitiful threnody on the decline and death of petty industries throughout Europe. Moreover, it is one thing to argue the persistence of this manner of production in scattered places, and quite another to argue it the dominant manner of production in a transformed society of the future. Of the coming of such a society the evidences are painfully scant.

We have also the Single-Taxers, the followers of the late Henry George, who are quite as fertile in prophecy as in polemics. They dream of a millennium through the imposition of a tax on the economic value of land, and the abolition of all other taxes and duties of whatsoever kind. Free competition is their shibboleth; and it is no less the shibboleth of the Neo-Jeffersonians, the followers of Mr. Bryan. Except for the fact that these two schools are somewhat Jacobinical, their general notions of the coming society do not differ greatly from the notions of the orthodox economists. All of these desire, or think they desire, free competition. Arising out of an era of competition, Professor Clark sees a coming order wherein the rich "will continually grow richer, and the multi-millionaires will approach the billion-dollar standard; but the poor will be far from growing poorer... It may be that the wages of a day will take him [the worker] to the mountains, and those of a hundred days will carry him through a European tour."

The dreadful spectre of monopoly, however, arises to threaten

these visions. Most of the orthodox economists acknowledge a possible danger from it, but the Single-Taxers and Jeffersonians are sure it is a real and growing menace. Says Professor Clark, "Between us and the régime of monopoly there ranges itself a whole series of possible measures stopping short of Socialism, and yet efficient enough to preserve our free economic system." It is a "free economic system" which all these are bent on having, – the economists determined on preserving it, the others on establishing it; for the Single-Taxers, with their *bête noir* of private ownership of land, and the Jeffersonians, with their *bêtes noires* of railroads and trusts, deny that our economic system is at present "free." Doubtless they are both right; but if there be one fact in the realm of political economy fairly established, it is that the era of competition, whether free or unfree, is dead, and the means of its resurrection are unknown to political science. With old men the dream of its revival is warrantable, for it springs from that retrospective mood of age which gilds past times, and that attendant mood which recreates and projects them into some imagined future; but with the younger generation visions of free competition are but as children's dreams of wild forests and shaggy animals – the atavistic reminders of experiences unknown to the individual, though knit into the fibre of the race. The subject is one far better suited to the domain of a psychologist like Dr. Stanley Hall than to the scope of this book.

Finally, we have the Socialists, with their prophecy of the early establishment of a coöperative commonwealth. It is a noble

picture, in its best expression based upon the extreme of faith in the coming generations of mankind, however its draughtsmen may criticise the wisdom and justice of the present. There is no doubt that now a ground-swell of Socialist conviction moves like a tide “of waters unwithstood”; everywhere one notes its influences. Even so conservative a scholar as Professor Henry Davies, lecturer on the history of philosophy in Yale University, can write, “There is no doubt that the next form of political activity to claim attention is the socialistic, as it is the most popular and serious of any now before the educated minds of this country.” Its propaganda is carried on untiringly, and that its results are feared is evident from the equal aggressiveness of a counter-propaganda maintained by the ingenious defenders of the present régime against the whole form and spirit of Socialism. But though socialist conviction spreads, the substance sought for seems as far away as ever. It would seem, for the most part, to be but a lukewarm conviction, much like that for which the Laodiceans were so widely famed. Present tendencies make for other forms of production, for a vastly different social régime.

## II

The dominant tendencies will be clearly seen only by those who for the time detach themselves from their social ideals. What, then, in this republic of the United States, may Socialist, Individualist, and Conservative alike see, if only they will look with unclouded vision? In brief, an irresistible movement – now almost at its culmination – toward great combinations in specific trades; next toward coalescence of kindred industries, and thus toward the complete integration of capital. Consequent upon these changes, the group of captains and lieutenants of industry attains a daily increasing power, social, industrial, and political, and becomes the ranking order in a vast series of gradations. The State becomes stronger in its relation to the propertyless citizen, weaker in its relation to the man of capital. A growing subordination of classes, and a tremendous increase in the numbers of the lower orders, follow. Factory industry increases, and the petty industries, while still supporting a great number of workers, are in all respects relatively weaker than ever before; they suffer a progressive limitation of scope and function and a decrease of revenues. Defenceless labor – the labor of women and children – increases both absolutely and relatively. Men's wages decline or remain stationary, while the value of the product and the cost of living advance by steady steps. Though land is generally held in somewhat smaller allotments, tenantry

on the small holdings, and salaried management on the large, gradually replace the old system of independent farming; and the control of agriculture oscillates between the combinations that determine the prices of its products and the railroads that determine the rate for transportation to the markets.

In a word, they who desire to live – whether farmers, workmen, middlemen, teachers, or ministers – must make their peace with those who have the disposition of the livings. The result is a renascent Feudalism, which, though it differs in many forms from that of the time of Edward I, is yet based upon the same status of lord, agent, and underling. It is a Feudalism somewhat graced by a sense of ethics and somewhat restrained by a fear of democracy. The new barons seek a public sanction through conspicuous giving, and they avoid a too obvious exercise of their power upon political institutions. Their beneficence, however, though large, is but rarely prodigal. It betokens, as in the case of the careful spouse of John Gilpin, a frugal mind. They demand the full terms nominated in the bond; they exact from the traffic all it will bear. Out of the tremendous revenues that flow to them some of them return a part in benefactions to the public; and these benefactions, whether or not primarily devoted to the easement of conscience, are always shrewdly disposed with an eye to the allayment of pain and the quieting of discontent. They are given to hospitals; to colleges and churches which teach reverence for the existing régime, and to libraries, wherein the enforced leisure of the

unemployed may be whiled away in relative contentment. They are never given, even by accident, to any of the movements making for the correction of what reformers term injustice. But not to look too curiously into motives, our new Feudalism is at least considerate. It is a paternal, a Benevolent Feudalism.

# CHAPTER II

## Combination and Coalescence

### I

We have, first, the enormous growth of industrial, commercial, and financial combinations. A crude idea of the extent to which concentration in manufactures had grown up to May 31, 1900, may be gained from Census Bulletin No. 122. In this report only those aggregations are considered which consisted of "a number of formerly independent mills which have been brought together into one company under a charter obtained for that purpose." Several of the new security-holding stock companies are included, but "many large establishments comprising a number of mills which have grown up, not by combination with other mills, but by erection of new plants or the purchase of old ones," are not considered, nor are gas and electric lighting plants, or pools, and "gentlemen's agreements."

The list contains records of 183 corporations, with 2029 active and 174 idle plants, an average of 11 active plants each. The actual capital invested in these corporations, exclusive of that for 56 of the idle plants, was \$1,458,522,573, and the authorized capitalization was \$3,607,539,200. These

combinations employed 24,585 salaried officers and clerks, and an average of 399,192 wage-earners. The 1047 officers received an average of \$6,825.28 yearly and the wage-earners, \$487.32. There were 40 combinations in iron and steel, with 447 plants; 28 in liquor and beverages, with 219 plants; 21 in food and allied products, with 273 plants; 15 in clay, glass, and stone products, with 180 plants, and 14 in chemicals, with 248 plants. The gross value of the manufactured product of these combinations, as given by the census, was \$1,661,295,364. Excluding hand trades, government establishments, educational, eleemosynary, and penal workshops, and shops with a product of less than \$500, this total represented 14 per cent of the value of the manufactured product for the whole country.

The spring of 1900 was, however, but the mid-morning of the combination movement. Only 63 of these companies had been formed previous to 1897, while more than 50 per cent of them were formed during the eighteen months from January 1, 1899, to June 30, 1900. Since then the movement has swept forward like a great tide. The consolidations of manufacturing companies for the first five months of 1901 alone probably exceeded \$2,000,000,000 in capitalization. The great steel "trust" (to use the popular term), an \$88,000,000 tin-can trust, still other trusts in tobacco machinery, carpets, coal and coke, witch-hazel, glass lamps and electric glass fittings, ship-building, cotton duck, agricultural implements, and watches, had their birth during this period. More recently came the steel-castings trust,

subordinate to the steel corporation, a recombination in tobacco, and very lately a new ship-building combination, a \$120,000,000 harvester trust, and a cotton compress trust. The capital invested in manufacturing combinations is now probably two and one-half times what it was in May, 1900; and it is a reasonable guess that nearly one-third of the manufactured product of the country, outside of the petty trades, comes from the combinations.

Of the magnitude of some of these concerns the average mind can form but an inadequate idea. The figures expressing it are comparable with those of star distances, which must be transmuted into light-years to make them conceivable. A New York newspaper has recently made some computations on the great steel trust, which help to bring home to us a realization of its size and power. Its yearly net profits are now double the amount of the total revenues of the United States Government in the year Lincoln was elected. Its wage-roll carries on an average of the round year over 158,000 names – an army of employees larger by 45,000 than serves the National Government in every branch of its civil service, classified and unclassified, except only fourth-class postmasters. Its wage-payments for last year aggregated nearly \$113,000,000, more by \$13,000,000 than the huge annual city budget of Greater New York. Its annual production of steel is 10,000,000 tons, 67 per cent of the total production of the country; and its freight payments for the year 1901 amounted to more than \$54,000,000.

During the same period financial, commercial, mining, and

transportation trusts have also had their splendid inning. We read of an accident-insurance trust with a capitalization of \$50,000,000, the great shipping trust, the \$120,000,000 jobbing hardware trust, the Interurban Street Railway stock-holding combination, the beef trust, a \$50,000,000 lead merger, a recombination in copper, and a universal oil trust. *Moody's Manual of Corporation Securities* for 1902 gives a list of 82 industrial and mercantile consolidations effected between January 1, 1899, and September 1, 1902, each of which is capitalized at \$10,000,000 or more, the whole aggregating a capitalization of \$4,318,005,646. Thirty-nine of these, with \$1,232,947,790 authorized capital, were formed during 1899; 7 with \$186,110,400 capital, in 1900; 20 with \$2,141,197,456 capital in 1901, and 16 with \$757,750,000 capital during the first eight months of 1902. The list is admittedly incomplete. "It embraces only the so-called gigantic combinations which have been forming in the past three and one-half years. A complete list, without regard to date of formation, and including both large and small," says this authority, "would probably aggregate 850 different-going combinations, and would easily foot up over \$9,000,000,000 of capitalization. Including railroad consolidations, such a list would make a total of over \$15,000,000,000 outstanding capitalization." As for the railroads, the formation of the Northern Securities Company, the recent assimilation of the Louisville and Nashville, and the "reorganization" of the Rock Island show the same drift. Five

men, according to a recent statement of Interstate Commerce Commissioner J. A. Prouty, control all the railroads of the country; and Mr. John W. Gates, a financier who may be supposed to know something on that head, has more recently declared, according to a newspaper interview, that two men are really in control. "I believe that the time is not far distant," declared Professor Francis L. Patton, former head of Princeton University, in a recent address before the Presbyterian Social Union of Chicago, "when there will not be a thing that we eat, drink, or wear that will not be made by a trust." He might have gone farther and fared as well; for the theatrical trust determines what dramas we shall witness; the pulp trust, the typefounders' trust, the news trust, and the school-book trust exert a most direct bearing on what we read and what our reading costs us; and finally the undertakers' trust determines the style and cost of our burial.

## II

The tendencies make not only for combination in specific trades, but for unification – for complete integration of all capital which is susceptible of organization. Capitalistic atoms of low valency – to use a term from chemistry, – such as those invested in some of the hand trades, custom and repairing and the like – may continue their course, but those of a high valency are sooner or later brought into association. From this fundamental grouping comes integration, the concentration of the material units which go to make up an aggregate. The lesser gravitates to the larger. It needs no modern Newton to proclaim that in finance, commerce, and industry, as in the physical world, all bodies attract one another in direct proportion to their mass. Distance provides a limitation, it is true, to the action of this law in the physical world; but less so in the economic world, for such is the perfection of our means of communication that they provide a more transmissible medium to capital than is the pervading ether to light and gravitation.

The separate trade trusts are not sufficient unto themselves, but move steadily toward unification. A glance at the directorates of the leading combinations shows many names repeated through a long list of varied industries. The combinations themselves reach out and acquire new interests, often distinct from their primary interests. In Pennsylvania coal is mined and railroads are

operated by practically the same companies, and in Colorado and West Virginia nearly as complete an identity is discovered. The steel corporation owns coal lands, limestone quarries, railroads, and docks; it is allied with the great Atlantic shipping trust; it is related, not distantly, to the Standard Oil Company; and the beginnings of a public opinion trust are indicated, for already its chief magnate has acquired several newspapers and a prominent magazine. Bishop Potter's prediction, it would seem, is in fair way of fulfilment. "We must fully realize," he said to the Yale students last April, "the danger that mind as well as matter will be at some time in the future capitalized, and that the real thinking and planning for the many will be done by a mere handful." Beet and cane sugar are soon to be joined, we read; paper and lumber, if not already wedded, are at least on excellent terms. Oil and gas on the one hand, coal and iron on the other, have a "common understanding," and each of them holds morganic relations with one or more of the railroads. All the great combinations recognize a growing community of interest; they tend more and more to a potential, if not an actual, coalescence; and in the face of popular agitation, legislative aggressiveness, or the formal demands of labor, they develop a unity of purpose and method. Their support is thrown, in general, to the same candidates for governors, senators, judges, and tax assessors. In brief, they tend to the formation of a state within a state, and their individual members to the creation of an industrial and political hierarchy.

### III

The counter-tendency toward the persistence of small-unit farming and of small-shop production and distribution must not be lost sight of, nor must the great combinations be looked upon as necessarily a proof of individual concentration of wealth. That they generally so result is hardly to be disputed; but primarily, they mean the massing together of separately owned capitals, often small, for a particular use. There is every reason to suppose that the shareholders grow in numbers, and that they increase their holdings. So that while the magnates tend to become Midases, there is a concurrent tendency making for diffused ownership. The small investor is to be found in every stratum of society, and the number of shareholders in some of the great combinations reaches an astonishing figure. The "one touch of nature" which in Shakespeare's eyes made the whole world kin was the love of novelty; in our day it is the passion for investing in shares.

Petty industries and small-unit farming persist, despite the movement toward combination. The recent census gives the number of manufacturing establishments in the United States as 512,726, an increase of 44.3 per cent. This is a larger percentage of increase than is shown for any other of the fifteen items in the census summary of manufactures, except capital, children's wages, and miscellaneous expenses. Doubtless many of these

establishments belong to the trusts; but with all allowances the numerical growth is remarkable. The undeveloped sections show the greatest increase, but even industrially settled States, such as Massachusetts, Connecticut, and Rhode Island, reveal marked gains. Professor Ely has pointed out several branches of industry in which small-shop production is increasing. Some investigations which the present writer made two years ago in two branches confirm this tendency. It is pronounced in the notion trades and in the manufacture of women's ready-made wear. In the latter the industry has been revolutionized, the large houses being menaced with disaster and some of them with extinction. In dry-goods distribution the tendencies are confused and puzzling. While the number of general jobbing houses in New York City has decreased from thirty-five to five in twenty-five years, the remaining ones growing to enormous proportions, the number of smaller houses distributing special lines has either maintained its own or has grown. In Baltimore and St. Louis small jobbing houses persist in the face of the larger houses. In the retail trades, even in New York, despite the creation of a number of mammoth general stores, the dullest observer will note the continuance of thousands of small grocery, dry-goods, and furniture stores, confectionery and butcher shops; while custom and repairing work is still done in the little tailoring and shoemaking shops that speak a sort of defiance to the great emporiums. Through convenience of location to the community of customers about them – often, too, by the giving of credit –

many of these little shops and stores furnish a social service that cannot be performed by the larger stores, which are mostly to be found massed in the central shopping district.

Something of the same nature is to be found in agriculture. Though the great estates are increasing in size, so also is the number of small holdings increasing. Nearly every State and Territory shows an increase in the number of farms, while the majority show a decrease in average acreage. The great stock-grazing farms of the West and the unproductive "gentlemen's estates" of the East help to make the census figures misleading. It is probable that in every State real farming is done on a smaller average acreage than ever before.

Even independent capital in trading and manufactures shows an unexpected persistence. An interesting article in a recent issue of the *New York Journal of Commerce* puts the capitalization of the great trusts for the twelve years ending with 1901 at \$6,474,000,000, of which it marks off \$2,000,000,000 as "spurious common stock," that is, stock not representing real capital in any form. Not more than \$300,000,000 of new capital, it maintains, had been thrown into the consolidations. This would leave \$4,474,000,000 as the sum of values already established by previous investment. On the other hand, it maintains that actual records show that in seventeen months from the beginning of 1901, in the four States of New York, New Jersey, Delaware, and Maine, the aggregate capitalization of newly organized companies with a capital of \$1,000,000 and

upwards is \$1,969,650,000; and it calculates that for the whole country, including the large and small corporations, “the national industrial capital (exclusive of that for transportation appliances) must have increased approximately \$5,000,000,000 since the end of 1900.” Several rather obvious demurrers might be made to the conclusions reached, but they need not now concern us. With all possible discounting, strong proof is given of the aggressive persistence of independent capital.

## IV

Such facts, however, do not carry on the surface their real import. Independent capital persists as a force, but the units that compose it melt like bubbles in a stream. These companies are but the raw or “partly manufactured” material out of which the great combinations are made. Formation, growth, and absorption into a trust are generally the three terms in their life-history; or if, through ill environment or spirited warfare waged against them, they fail to get secure footing, they soon slip back into the slough of disaster. The fate of independent tobacco factories, sugar and oil refineries, railroads, independent companies of one kind or another, is constantly before us. If they are worth having, they are more or less benevolently assimilated; and if they are not worth having, they are permitted to struggle onward to the almost inevitable collapse.

Neither do small holdings in agriculture mean economic independence. As the late census reveals, they mean tenantry. The number of farms operated by owners is decreasing; tenantry is becoming more and more common, and so is salaried management of great estates. Of the 5,739,657 farms of the nation, tenants now operate 2,026,286. Owners operated 74.5 per cent of all farms in 1880, 71.6 per cent in 1890, 64.7 per cent in 1900. The tendency is general, and applies to all sections. Since 1880 tenantry has relatively increased in every State and

Territory (no comparative data are given for the Indian Territory) except Arizona, Florida, and New Hampshire. Since 1890 it has increased in Arizona. In twenty years it has increased 49.4 per cent in Florida, though the unloading of "orange groves" and other tropical paradises on the too susceptible Northerner has increased ownership by a slightly greater ratio; while in New Hampshire, where 2857 farms have been given up in the last twenty years, tenantry has decreased by but five-tenths of 1 per cent since 1890, and but six-tenths of 1 per cent since 1880.

So, too, with petty industries and the small retailers. M. Emile Vandervelde, in his sterling work, "Collectivism and Industrial Evolution," has well shown how "small trade is the special refuge of the cripples of capitalism." It is the particular refuge "of all who prefer, in place of the hard labor of production, the scanty gleaning of the middleman, or who, no longer finding a sufficient revenue in industry or farming, desire to add a string to their bow by opening a little shop." But it would be a mistake, he continues, to suppose that these miniature establishments, which the census officials characterize as distinct enterprises, can be generally regarded as the personal property of those who carry them on. "A great number of them, and a number constantly increasing, as capitalism develops, have only a phantom of independence, and are really in the hands of a few great money lenders, manufacturers, or merchants."

Though M. Vandervelde argues on the basis of these phenomena as observed in Belgium, France, Germany, and

England, the same conclusions are applicable in the United States. Our national census figures are practically useless as illuminators on the subject, and one must get his data from the observation or investigation of himself or others. It is generally known that small industries the product of which is more or less ingenious or artistic manage to survive; that those the product of which is common or usual are sooner or later extinguished; and that the petty retailers represent so many heterogeneous elements that it is impossible to predicate anything of them as a class. Of these latter there is a moderate number who, by furnishing a needful social service, make profits; there is a large and constantly changing number who, through ease of credit, manage to obtain stock without capital, and who almost invariably succumb; there is then a larger number whose little shops are run by women and children, the husbands and fathers working at some trade or office job, and hopefully expending their weekly earnings in the vain attempt to "build up a business"; finally, there is a class, the numbers and relative importance of which it is impossible to estimate, whose businesses are owned, directly or indirectly, by other men or by companies.

## V

Many of these so-called independent concerns find it possible, and some of them find it fairly profitable, to continue. But the more the large combinations wax in power, the greater is the subordination of the small concerns. An increasing constraint characterizes all their efforts. They are more closely confined to particular activities and to local territories, their bounds being dictated and enforced by the pressure of the combinations. The petty tradesmen and producers are thus an economically dependent class. Equally subordinate – and for the most part subservient – are the owners of small and moderate holdings in the trusts. The larger holdings – often the single largest holding – determine what shall be done. Generally, too, the petty investors are acquiescent to the will of the Big Men. But occasionally, as in the case of the transfer of the Metropolitan Street Railway stock, they rebel, and it becomes necessary to suppress them. At the meeting which determined this action, the protesting minority were emphatically ordered to “shut up”; when they still objected, the presiding officer declared, “We will vote first; you can discuss the matter afterward,” and the vote was promptly taken. The head of an American corporation, moreover, is often an absolute ruler, who determines not only the policy of the enterprise, but the personnel of the board of directors. It was a naïve letter which a well-known New

York financier recently wrote to his “board of directors” on the occasion of his retirement from the presidency of a great trust company in favor of a retiring Cabinet minister. He had been looking about, he explained, for some time for a competent successor. Now he had found him and had chosen him. Of course the formal action of the board would be a welcome detail; and, equally a matter of course, it was promptly given. One of the copper kings recently testified in a legal action that he “didn’t want to call the board of directors together to obtain authority to buy adjacent properties.” He went ahead, did what he pleased, and let the board discuss the matter afterward. If there was ever so much as a question about it, it was but a profitless interference.

## VI

The tendencies thus make, on the one hand, toward the centralization of vast power in the hands of a few men – the morganization of industry, as it were – and, on the other, toward a vast increase in the number of those who compose the economically dependent classes. The latter number is already stupendous. The laborers and mechanics were long ago brought under the yoke through their divorcement from the land and the application of steam to factory operation. They are economically unfree except in so far as their organizations make possible a collective bargaining for wages and hours. The growth of commerce raised up an enormous class of clerks and helpers, perhaps the most dependent class in the community. The growth and partial diffusion of wealth has in fifty years largely altered the character of our domestic service and increased the number of servants many fold. The professions, too, have felt the change. Behind many of our important newspapers are private commercial interests which dictate their general policy, if not, as is frequently the case, their particular attitude upon every public question; while the race for endowments made by the greater number of the churches and by all colleges except a few State-supported ones, compels a cautious regard on the part of synod and faculty for the wishes, the views, and the prejudices of men of wealth. To this growing deference of

preacher, teacher, and editor is added that of two yet more important classes, – the makers and the interpreters of law. The record of legislation and judicial interpretation regarding slavery previous to the Civil War has been paralleled, if not surpassed, in recent years by the record of legislatures and courts in matters relating to the lives and health of manual workers, especially in such matters as employers' liability and factory inspection. Thus, with a great addition to the number of subordinate classes, with a tremendous increase of their individual components, and with a corresponding growth of power in the hands of a few score magnates, there is needed little further to make up a socio-economic status that contains all the essentials of a renascent Feudalism.

# CHAPTER III

## Our Magnates

With the rise of the magnates to power comes a growing self-consciousness of their authority and responsibility. "I am a citizen of no mean state," is the reflection of each of them as he looks upon the emergent order of which he is so large a part; and thereupon it becomes his mission to live up to his rank and function. Frequently his benefactions increase, and always he takes on a more Jovian air, and views with a more providential outlook the phenomena passing before and about him. He is a part not only, as Tennyson makes Ulysses say, of all that he has met, but of the primary causes of things. He is at once the loaf-giver to the needy, the regulator of temporal affairs, the lord protector of church and society; and he holds his title directly from the Creator. "The rights and interests of the laboring man," wrote the chief of the anthracite coal magnates last August, "will be protected and cared for, not by the labor agitators, but by the Christian men to whom God in His infinite wisdom has given the control of the property interests of the country." Gradually there comes the renascent development of the seigniorial mind.

# I

“Business” is the main thought, and the apotheosis of “business” the main cult of the new magnates. “Of gods, friends, learnings, of the uncomprehended civilization which they overrun,” indignantly writes Mr. Henry D. Lloyd, “they ask but one question: How much? What is a good time to sell? What is a good time to buy?.. Their heathen eyes see in the law and its consecrated officers nothing but an intelligence office, and hired men to help them burglarize the treasures accumulated for a thousand years at the altars of liberty and justice, that they may burn their marble for the lime of commerce.”

Though a forcible, it is an extreme view, for it leaves out of consideration the high professions of morality, the frequent appeal to Christian ideals, the tender solicitude for honesty, integrity, law and order, with which our new magnates gild their worship of “business.” Such of them as have recently invaded literature give edifying glimpses of the new seigniorial attitude. The artistic career, writes Mr. Andrew Carnegie in his entertaining volume, “The Empire of Business,” is most narrowing, and produces “petty jealousies, unbounded vanities, and spitefulness”; the learned professions also produce narrowness, albeit often a high specialization of faculty and knowledge. But “business,” properly pursued, broadens and develops the whole man. It is a view echoed to greater or less

extent by the other literary magnates, particularly Mr. James J. Hill, Mr. Russell Sage, Mr. S. C. T. Dodd, Mr. John D. Rockefeller, Jr., the Hon. Marcus A. Hanna, and Mr. Charles R. Flint.

A flattering unction that all lay to their souls is the dictum that success in business is a matter of honesty, intelligence, and energy. "There is no line of business," writes Mr. Carnegie, "in which success is not attainable. It is a simple matter of honest work, ability, and concentration." "To rail against the accumulation of wealth," writes Mr. Sage, in the *Independent*, "is to rail against the decrees of justice. Intelligence, industry, honesty, and thrift produce wealth... So long as some men have more sense and more self-control than others, just so long will such men be wealthy, while others will be poor." Mr. Dodd, in his address to the students of Syracuse University, adds this contribution: "Why is there still so much poverty? One reason is because nature or the devil has made some men weak and imbecile and others lazy and worthless, and neither man nor God can do much for one who will do nothing for himself." Mr. Rockefeller appeals both to evolution and to divine sanction. "The growth of a large business," he is reported as declaring in one of his Sunday-school addresses, "is merely a survival of the fittest... The American Beauty rose can be produced in the splendor and fragrance which bring cheer to its beholder only by sacrificing the early buds which grow up around it. This is not an evil tendency in business. It is merely the working out of a law

of nature and a law of God.”

It matters not that many millions of men, tirelessly energetic and reasonably intelligent, can be shown to have toiled all their lives without winning even a competence. Nor does it matter that some of these, in addition to being energetic and intelligent, have been reasonably honest. To be honest, as this world goes, is to be one man picked out of ten thousand; and the fact that most of the greater affairs of the business world sooner or later find their way into the courts, for the testing of the amount and quality of honesty involved therein, might well cause some hesitation in positing this virtue as a necessary qualification for “business.” But the notion is not to be argued with; it is a characteristic outcropping of the seigniorial mind.

The praise of labor is the antiphony to the praise of “business,” and the lyres of all the magnates are strung tensely when chanting tributes to toil.

“Round swings the hammer of industry, quickly the sharp chisel rings,  
And the heart of the toiler has throbbings that stir not the bosom of kings,”

warbles Mr. Flint in his article on “Combinations and Critics,” in “The Trust: Its Book.” Toil is the foundation of wealth, they all aver, though the rhapsodical nature of the tributes prevents a clear and definite utterance on the question, Of *whose* wealth is it the foundation? But there is no lack of definiteness

regarding their attitude toward those defensive societies, the trade-unions, which the toilers organize to secure a larger part of their product to themselves. Mr. Flint, indeed, somewhat cautiously acknowledges an element for good in the unions, but the general attitude of the seigniorial mind is distinctly inimical. The recent interesting correspondence between the coal magnates and President Mitchell is an instance in point; so are the frequent utterances on the subject by the president of the steel trust, and any number of examples could be given of a like character. A crowning example of a distinctly feudal attitude is furnished by a letter from a prominent New York merchant, printed in the issue of June 9, 1902, of a newspaper which makes a considerable to-do about the printing of such of the news as it sees fit to print. The prominent merchant objects very strongly to labor leaders and walking delegates, describing them in almost as temperate and judicial language as that of United States District Judge Jackson. The flower of his contribution is his seigniorial remedy for strikes: —

“The only remedy, in my opinion, for strikes is to get as many men as there are officers in the different [labor] associations admitted to their meetings, where they would have a chance to talk to the men in a businesslike way, explaining matters to them in such a manner as to bring the effects of a strike very plainly before them.”

Moral suasion, however, is not the only method suggested for bringing sense to the workers. A hint of more forcible means is

occasionally broached. A New York newspaper, which makes a boast of printing unimpeachable interviews, reports, in its issue of July 31st last, a significant warning from the president of the New York, Ontario and Western Railroad. This is one of the coal-carrying railroads, and the reference is to the anthracite strike. "After the men return to work," he said, "I believe that legal steps will be taken in the United States courts against those who are responsible for the loss occasioned by the strike." The Hon. Abram S. Hewitt echoed this interesting suggestion in an interview of August 25th. "The consequences of such strikes," he says, "are so disastrous, not merely to the parties directly concerned, but to the whole community, that every effort should be made as soon as the existing strike has been called off and the excitement is abated to prevent by appropriate legislation the recurrence of such calamitous conflicts where everybody is injured and no one is benefited." Criminal codes, it may be said generally, depend largely on the economic conditions of the time and place where they obtain: horse-stealing, in a community girdled by trolley lines, degenerates to petty larceny, while in Wyoming or Arabia it is a capital offence. In the new order, which requires peace and stability for its proper operation, it may readily enough come about that voluntary leaving of work will be severely penalized.

## II

The new seigniorial attitude toward government and public policy is also significant. Often it is paternalistic in a princely degree. The offer of a retired magnate to settle a great national problem by paying to the Government the \$20,000,000 demanded of Spain, on condition that the Filipinos be “set free,” had in it something of the “grand style” which Matthew Arnold so extols. The rallying to the defence of the Government’s gold reserve by certain financiers, several years ago, need not be instanced, since in certain quarters it is gravely suspected that their interest was not entirely platonic. But certainly the recent offer of a wealthy magnate to pay one-third of the cost of repairing all the roads in the vicinity of Lakewood, N.J., showed the true seigniorial spirit. Not different in kind, though somewhat in degree, was the recent action of a Pittsburg magnate, on the rude refusal of the Department of Public Works to pave his street otherwise than with blocks at a cost of 65 cents the square yard, in doing the thing himself at a cost of \$4.50 the square yard.

Usually, however, the seigniorial attitude toward government is somewhat more in the direction of intervention. The seasonal migration to Washington of representatives of all the great commercial interests has become a salient datum in political zoölogy. Curiosity regarding a proposed parcels post or government telegraph alone draws hundreds of these birds of

passage there. The rights of private initiative must be maintained at any cost. In the great West one of the prime necessities for a living is the access to water for irrigation purposes. One may have land; but, if he has not water to irrigate it, the soil is worthless. The prevailing sentiment is for public ownership of waterways, since, in many places, monopoly controls the supply. At the electrical convention held at San Francisco recently, the presiding officer, who is also the president of a public-service corporation, after denouncing organized labor and municipal ownership, added: "For us a far more dangerous agitation is that which now proposes State appropriation of all water rights. The scheme advocated makes the appropriation little less than sheer confiscation." Luckily the seventy-one mile envelope of air that encases the globe yet eludes monopolization.

"Hands off!" is the warning to government; and though occasionally government puts hands on, they are not very closely or tenaciously applied. The report of the Interstate Commerce Commission (1901), for instance, employs a rather pessimistic tone regarding government control of traffic rates. "We simply call attention to the fact," it recites, "that the decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now, as they did before those decisions, and with the same general effect." "Should the Supreme Court declare the Northern railways consolidation unconstitutional," one of the

interested magnates is reported as saying, "we shall simply do the thing in another way. It is something that must be done." Cynically frank is Mr. Dodd, in his Syracuse address, regarding the Anti-trust law. "A modern Federal law also exists," he says, "which, literally interpreted, forbids business of any magnitude, but Federal judges have thus far found it easier to dismiss proceedings under it than to guess at its real meaning." The president of the Southern Pacific Railroad takes the bull by the horns, and denounces all interference. In an interview given to the press June 2d of the present year, he declares that "the legislation of the future must be pro-railroad instead of anti-railroad... I believe commissions are things of the past. I do not think transportation companies should have to submit to dictation or control by bodies who do not know anything about transportation."

The Contract-labor law is another measure, to the seigniorial mind, unnecessary and obstructive, and its provisions, therefore, are but lightly observed. Known evasions have been numerous; and, were the full truth revealed, it would probably be found that this law has met with about the same degree of observance as have the Interstate Commerce and Anti-trust laws. As recently as July 16th, comes word from Berlin to the *Chicago Daily News* that "agents of American railroads are canvassing the Polish and Slavic districts of Europe for laborers, to whom they offer \$2.50 a day and board, regardless of the Federal Contract-labor law."

Not only do the magnates demand immunity from government

interference in their business affairs, but they demand also a more real, if not a more obvious, share in the operations of government. The invasion, during the last ten years, of the National Senate by a number of the magnates or their legates is a part of the process; but something more to the point is their insistence on the right to be consulted in grave affairs by the President and Cabinet. A New York daily newspaper, edited by the distinguished scholar who delivers lectures on journalism before Yale University, published last February an account of a remarkable gathering at Washington. It verges closely upon contumacy to mention the names of the attending magnates, such is their eminence, and they will therefore not be given. Their purpose was to protest to the President against a repetition of his action in the Northern Securities case. "The financiers declare," says this newspaper, "that they should have been notified of the intended Federal action last week, so that they could be prepared to support the stock market, and that their unpreparedness came very near bringing on a panic. Had not the big interests of the street been in possession of the bulk of securities, instead of speculators and small holders, there would have been a panic, the capitalists assert." It is, when considered, a modest claim – the powers of an extra-constitutional cabinet, intrusted with the conservation of the public peace. There is no proof that the claim has been conceded, though some light is thrown on the problem by the newspaper's further declaration that the chief magnate, after an interview with the President, "felt very much better."

Something of the same nature was revealed in the negotiations last March between the Mayor of New York City and the directors of the New York Central Railroad Company. The company requested the Mayor to secure the withdrawal of the Wainwright bill in the State Assembly, compelling the railroad to abandon steam in the Park Avenue tunnel by a fixed date, and promised to do the required thing in its own time and at its own pleasure. The letter of the Mayor to Assemblyman Bedell records the result: "This letter [of the directors] seems to me to lay a good foundation for the waiving a fixed date to be named in the bill;" and the date was accordingly "waived."

Of the seigniorial attitude toward the police law, the abundant crop of automobile cases alone furnishes signal testimony. Dickens made a highly dramatic, though perhaps rather unhistorical, use in his "A Tale of Two Cities" of the riding down of a child by a marquis, and the long train of tragic consequences that ensued. We do the thing differently in our day: we acquit, or at most fine the marquis, and the matter rests; we are too deferential to carry it further. Fast driving in the new "machines" has become one of the tests of courage, manliness, and skill, – what jousting in full armor was in the fifteenth century, or duelling with pistols in the early part of the nineteenth, – and if the police law interferes, the exploit is the more hazardous and therefore the more emulatory. The scion of a great house who recently, on being arrested for fast driving and then bailed, subsequently sent his valet to the police court to pay

the fine, showed the true seigniorial spirit. Possibly, though, had his identity been known before arrest, he would have escaped the irritating interference of the law; for it happened, about the same time, on the arrest for the same offence of a millionaire attorney, companioned by a Supreme Court judge, that a too vigilant policeman came to learn his severest lesson – that to know whom not to trouble is the better part of valor.

At Newport, the summer home of the seigniorial class, the automobile enforces a right of way. This is not sufficient, however, for the automobilists, who would prefer a sole and exclusive way. In the summer of 1901 the resident magnates fixed upon a certain Friday afternoon for their motor races, and demanded exclusive control of Ocean, Harrison, and Carroll avenues between the hours of two and four o'clock. In the "grand style" characterizing the dealings of this class with the public, the magnates offered to pay all the fines if the races led to any prosecutions. This meant, of course, that the ordinance prohibiting a speed greater than ten miles an hour was to be overlooked, since the races would surely have developed speed up to forty, fifty, and sixty miles an hour. The deferential City Council acquiesced. For once, however, the ever serviceable injunction was found to be available against other persons than striking workmen. A few property owners sought refuge in the Supreme Court, a temporary injunction was issued by Judge Wilbur, and, though the magnates hired lawyers to fight it, the order was made permanent. It is but natural that keen

resentment should follow this high-handed action of the courts. It is announced that some of the magnates are tiring of Newport, and one of the wealthiest of them has recently threatened to forsake the place entirely.

Laws are like cobwebs, said Anacharsis the Scythian, where the small flies are caught and the great break through. Yet that even the great can sometimes bow to the reign of law, and particularly that the seigniorial mind can on occasion be conciliatory, is well illustrated by the recent action of the governors of the Automobile Club, in suspending two members and disciplining a third, for fast driving. The troublesome restrictions of the law on this point are probably destined, however, to be soon abolished. Already the Board of Freeholders of Essex County, N.J., a region much frequented by automobilists, has advanced the speed limit in the country districts to twenty miles per hour. Further changes are expected, and it will probably be but a short time before a man with a "machine" will enjoy the God-given right of "doing what he will with his own."

### III

Most of the magnates show a frugal and a discriminating mind in their benefactions; but it is a prodigal mind indeed which governs the expenditures that make for social ostentation. It is probable that no aristocracy – not even that of profligate Rome under the later Cæsars – ever spent such enormous sums in display. Our aristocracy, avoiding the English standards relating to persons engaged in trade, welcomes the industrial magnate, and his vast wealth and love of ostentation have set the pace for lavish expenditure. Trade is the dominant phase of American life, – the divine process by which, according to current opinion, “the whole creation moves,” – and, as it has achieved the conquest of most of our social institutions and of our political powers, that it should also dominate “society” is but a natural sequence. Flaunting and garish consumption becomes the basic canon in fashionable affairs. As Mr. Thorstein Veblen, in his keen satire, “The Theory of the Leisure Class,” puts it: —

“Conspicuous consumption of valuable goods is a means of reputability... As wealth accumulates on his [the magnate’s] hands, his own unaided effort will not avail sufficiently to put his opulence in evidence by this method. The aid of friends and competitors is therefore brought in by resorting to the giving of valuable presents and expensive feasts and entertainments. Presents and feasts had probably another origin than that of naïve

ostentation, but they acquired their utility for the purpose very early, and they have retained that character to the present.”

The conspicuous consumption of other days was, however, as compared with that of the present, but a flickering candle flame to a great cluster of electric lights. Against the few classic examples, such as those of Cleopatra and Lucullus, our present aristocracy can show hundreds; and the daily spectacle of wasteful display might serve to make the earlier Sybarites stare and gasp. Present-day fashionable events come to be distinguished and remembered not so much on the score of their particular features as of their cost. A certain event is known as Mr. A's \$5,000 breakfast, another as the Smith-Jones's \$15,000 dinner, and another as Mrs. C's \$30,000 entertainment and ball.

Conspicuous eating becomes also a feature of seigniorial life. The “society” and the “yellow” journals are crowded with accounts of dinners and luncheons, following one after another with an almost incredible frequency. And not only is the frequency remarkable, but the range and quantity of the viands furnished almost challenge belief. So far, it is believed, the journals which usually deal in that sort of news have neglected to give an authoritative menu for a typical day in the life of a seigniorial family. We have dinner menus, luncheon menus, and so on, but nothing in the way of showing what is consumed by the individual or family during a term of twenty-four hours. Some light on the subject, however, is furnished by Mr. George W. E. Russell, the talented author of “Collections and Recollections,”

in his recent volume, "An Onlooker's Note-book." Objection may be made to the effect that Mr. Russell is an Englishman, and that he is describing an English royal couple. But the demurrer is irrelevant, since it is well known that our seigniorial class founds its practices and its canons (excepting only the canon regarding persons engaged in trade) upon English precedents, and that English precedents are made by the Royal Family. And not only does our home nobility imitate English models, but it piles Pelion upon Ossa, and seeks constantly to outshine and overdo the actions of its transatlantic cousins. Mrs. George Cornwallis-West (formerly Lady Randolph Churchill) recently stated that the vast sums spent by Americans in England have lifted the standard of living to a scale of magnificence almost unknown before. So for whatever is shown to be English custom, something must be added for American improvement and extension when assuming its transplantation to these shores. Mr. Russell writes: —

“A royal couple arranged to pay a two nights' visit to a country house of which the owners were friends of mine. For reasons of expediency, we will call the visitors the duke and duchess, though that was not their precise rank. When a thousand preparations too elaborate to be described here had been made for the due entertainment of them and their suite and their servants, the private secretary wrote to the lady of the house, enclosing a written memorandum of his royal master's and mistress's requirements in the way of meals. I reproduce the substance of the memorandum — and in these matters my memory never

plays tricks. The day began with cups of tea brought to the royal bedroom. While the duke was dressing, an egg beaten up in sherry was served to him, not once, but twice. The duke and duchess breakfasted together in their private sitting room, where the usual English breakfast was served to them. They had their luncheon with their hosts and the house party, and ate and drank like other people. Particular instructions were given that at 5 o'clock tea there must be something substantial in the way of eggs, sandwiches, or potted meat, and this meal the royal couple consumed with special gusto. Dinner was at 8.30, on the limited and abbreviated scale which the Prince of Wales introduced – two soups, two kinds of fish, two entrées, a joint, two sorts of game, a hot and cold sweet, and a savory, with the usual accessories in the way of oysters, cheese, ice, and dessert. This is pretty well for an abbreviated dinner. But let no one suppose that the royal couple went hungry to bed. When they retired, supper was served to them in their private sitting room, and a cold chicken and a bottle of claret were left in their bedroom, as a provision against emergencies.”

All the men of great wealth are not men of leisure. Some of them work as hard as do common laborers. For such as these the tremendous gastronomy recounted by Mr. Russell would be impossible as a daily exercise. When, therefore, it is assumed of any of our seigniorial class, it must be limited to magnates on vacation, to their leisurely sons, nephews, hangers-on, and women, and to those who have retired from active

pursuits. But there are other canons of social reputability besides personal leisure and personal wasteful consumption. These are, to quote again from Mr. Veblen, vicarious leisure and vicarious consumption – the leisure and lavishness of wives, sons, and daughters. It is these who, in large part, at New York, Lenox, and Newport, support the social reputation of their seigniorial husbands and fathers. The “dog parties,” wherein the host “puts on a dog collar and barks for the delectation of his guests,” the “vegetable parties,” wherein host and guests, perhaps from some latent sense of inner likeness, make themselves up to represent cabbage heads and other garden products, the “monkey parties,” the various “circuses” and like events, are given and participated in more generally by the vicarious upholders of the magnate’s social reputation than by the seignior himself.

But in ways more immediate – by means which do not conflict with his daily vocation – the working magnate gives signal example of that virtue of capitalistic “abstinence” which is the foundation of orthodox political economy. The splendors of his town house, his country estate, and his steam yacht, to say nothing of his club, are repeatedly described to us in the columns of popular periodicals. His paintings, decorations, and bric-à-brac, his orchids and roses, his blooded animals and his \$10,000 Panhard, are depicted in terms which make one wonder how paltry and mean must have been the possessions of Midas and how bare the “wealth of Ormus and of Ind.” And when, for a time, he lays down the reins of power, and betakes himself

to Saratoga or Newport or Monte Carlo, yet more wonderful accounts are given of his lavish expenditure. The betting at the Saratoga race-tracks last August is reported to have averaged \$2,000,000 a day. "The money does not come," said that eminent maker of books, Mr. Joe Ullman, "from any great plunger or group of plungers, but from the great assemblage of rich men who are willing to bet from \$100 to \$1,000 on their choices in a race." On the transatlantic steamers, in London and in Paris, the same prodigality is seen. A king's ransom – or what is more to the point, the ransom of a hundred families from a year's suffering – is lost or won in an hour's play or lightly expended for some momentary satisfaction.

## IV

There remain for brief mention the benefactions of the magnates. Most of these come under the head of "conspicuous giving." Gifts for educational, religious, and other public purposes last year reached the total of \$107,360,000. In separate amounts they ran all the way from the \$5,000 gift of a soap or lumber magnate to the \$13,000,000 that had their origin in steel. It is an interesting list for study in that it reveals more significantly than some of the instances given the standards and temper of the seigniorial mind. An anonymous writer, evidently of Jacobinical tendencies, some time ago suggested in the columns of a well-known periodical a list of measures for the support of which rich men might honorably and wisely devote a part of their fortunes: —

"He [the rich man] could begin by requiring the assessors to hand him a true bill of his own obligations to the public. He could continue the good work by persuading the collector to accept a check for the whole amount. This would make but a small draft upon his total accumulations. A further considerable sum he could wisely devote to paying the salaries of honorable lobbyists, who should labor with legislative bodies to secure the enactment of just laws, which would relieve hard-working farmers, struggling shopkeepers, mechanics trying to pay for mortgaged houses, and widows who have received a

few thousand dollars of life insurance money, from their present obligation to support the courts, the militia, and other organs of government that protect the rich man's property and enable him to collect his bills receivable. Finally, if these two expenditures did not sufficiently diminish his surplus, he could purchase newspapers and pay editors to educate the public in sound principles of social justice, as applied to taxation and to various other matters.”

Perhaps it is not singular that no part of the gifts of the great magnates is ever devoted to any of these purposes. Doubtless they see no flaw, or at least no remediable defect, in the present industrial régime. It is the régime under which they have risen to fortune and power, and it is therefore justified by its fruits. Their benefactions are thus always directed to a more or less obvious easement of the conditions of those on whom the social fabric most heavily rests. Hospitals, asylums, and libraries are the objects, though recently a bathing beach for poor children has been added to the list. The propriety of securing learned justification of the existing régime causes also a considerable giving to schools, colleges, and churches. But nowhere can there be found a seigniorial gift which, directly or indirectly, makes for modification of the prevailing economic system.

# CHAPTER IV

## Our Farmers and Wage-earners

The increasing dependence of middleman and petty manufacturer has already been considered. The same pressure which bears upon these bears also upon farmer and wage-earner. The editorials and the oratory of election years, it is true, supply us with recurring pæans over the independence, the self-reliance and the prosperity of these classes, and such graphic tropes as “the full dinner pail” and “the overflowing barn,” become the party shibboleths of political campaigns. Plain facts, however, accord but ill with this exultant strain.

# I

In most ages the working farmer has been the dupe and prey of the rest of mankind. Now by force and now by cajolery, as social customs and political institutions change, he has been made to produce the food by which the race lives, and the share of his product which he has been permitted to keep for himself has always been pitifully small. Whether Roman slave, Frankish serf, or English villein; whether the so-called "independent" farmer of a free democracy or the *ryot* of a Hindu prince, the general rule holds good. Occasionally, by one means or another, he gains some transitory betterment of condition; the Plague of 1349 and the Peasants' Rebellion of 1381 won for his class advantages which were retained during three generations. But in the long run he is the race's martyr. Under a military autocracy his exploitation was inevitable. There is no reason for it now, for the lives and well-being of the rest of mankind are in his hands: were the working farmers organized as the manufacturers and the skilled artisans are organized, and could they lay by for themselves a year's necessities, they could starve the race into submission to their demands. But the thing is not to be; nor, indeed, is any marked change to their advantage likely to happen, for, so far as current tendencies point, the future is to repeat the past.

In our day and in our land both force and cajolery conspire

to keep the peasant farmer securely in his traces. He cannot break through the cordon which the trusts and the railroads put about him; and even if he could he would not, since the influences showered upon him are specifically directed to the end of keeping him passive and contented. Our statisticians assure him of his prosperity; our politicians and our moulders of opinion warn him of the pernicious influence of unions like the Farmers' Alliance, and further preach to him the comforting doctrine that by "raising more corn and less politics" he will ultimately work out a blissful salvation. Sometimes he must burn his corn for fuel; often he cannot sell his grain for the cost of production, even though many thousands of persons in the great cities may be starving for it; frequently he cannot afford to send his children to school, and in a steadily increasing number of cases he is forced to abandon his farm and become a tenant or a wanderer. He is puzzled, no doubt, by these things; but they are all carefully and neatly explained to him from the writings and preachments of profound scholars, as "natural" and "inevitable" phenomena. His ethical sense may be somewhat disturbed by the explanations, but he learns that it is useless to protest, and he thereupon acquiesces.

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