
Lloyd's Wealth Against Commonwealth

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Lloyd's *Wealth against Commonwealth*

THE photograph of Henry Demarest Lloyd which prefaced a feature article on him in the *Arena* (October 1894) reveals a prematurely aged man with white hair combed back in pompadour fashion, a drooping mustache, and a lined, tired-looking face. The shoulders sag a little, and there is a melancholy cast to his expression.

Although the writing of *Wealth against Commonwealth*, published in September 1894, had taxed his energies severely, and although he was depressed by the meaning of his own revelations, the last three or four years of research and composition had been pleasant ones. Surrounded by a loving family and dividing his time between a charming summer home in Sakonnet, Rhode Island, and his own house in Winnetka, Illinois, he could prepare his great book in an atmosphere far more congenial for literary work than George or Bellamy enjoyed. The Lloyd home, like Theodore Parker's, received streams of visitors of all classes, occupations, and races. Reformers and social workers came to Sakonnet or Winnetka (the latter, as Jane Addams said, was practically an annex to Hull House) and so did political figures like Governor Altgeld and Clarence Darrow. English celebrities mingled with callow girls, charmed by Lloyd's quiet courtesy and gentleness, and the visitor never knew whom he would find at the household. It might be an invalid factory girl nursed by Jessie Lloyd or a crowd of women from Marshall Field's department store or a scholar looking for the kind of information only Lloyd could provide. The Lloyd menage was informal and in-

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tensely democratic and Lloyd himself the gayest and most thoughtful of hosts, adored by his family and the servants and guests alike.

In the attic of the Sakonnet house and in his Winnetka study, Lloyd began around the year 1889 the serious work of putting together his book. An extensive library and an elaborate collection of periodicals, pamphlets, and documents, amassed and catalogued for the past twenty years, were ready to be consulted whenever necessary, and portraits of Lincoln, Morris, Ruskin, and Emerson looked down from the walls to inspire him when the burden of his task seemed too great to bear.

Emerson not only remained his moral and intellectual guide but his literary model as well. All of Lloyd's published and unpublished writings are studded with quotations from Emerson and allusions to his essays, and the very rhythm of his style, epigrammatic and terse, and the concrete, homely diction suggest the Concord sage. Lloyd's audacious use of metaphor, his amazing facility for dramatizing the technical and reporting the most complex operations in swift, clear prose made him almost unique among his contemporaries. He had Emerson to thank for this talent. For if Emerson could not have written the kind of popular article which Lloyd turned out so superbly, he taught him (as one can see from reading Lloyd's piece on Emerson) how wit could be used effectively to puncture pretension and hypocrisy.

Lloyd learned from Emerson to write as elegantly as he dressed. There is a polish to his work which makes him one of the most literate of the reformers and, with the exception of Veblen or John Jay Chapman, the most quotable. He is invariably well bred even when bitter and sarcastic; he can write cool and masterly exposition, and he can "set the facts on fire," as Lyman Beecher used to say about himself, for it was one of Lloyd's favorite contentions that the word *scientific* ought not to be restricted to the unemotional and the objective. "Is there not a science of the passions, energies, the people," he asked once, "different from the science of thoughts, meditations, the philosophers,—each good, natural, in its place?" He cultivated both "sciences" and his essays and books bring argument and emotion into brilliant fusion. Witty, stinging, always readable, and keenly sensitive to the dramatic, he framed his charges with great care, well aware of the reformer's penchant for exaggeration, which

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his friend Samuel Bowles remarked upon, and the value of irony and understatement.

Lloyd could be blunt, but he usually gave a wry twist to his comments and a pithiness which raised them above the commonplace. "The Standard has done everything with the Pennsylvania Legislature," he said, "except to refine it," and the Pennsylvania Railroad ran the state supreme court "as if it were one of its limited trains." The rebate employed by the trusts was "the 'golden rule' of the 'gospel of wealth.'" In describing the difficulties of gathering evidence on the Standard Oil Company's business policies, he found that "all had vanished into the bottomless darkness in which the monopoly of light loves to dwell." When the coal combine raised the price of coal \$1.50 a ton, the English press predicted revolution. "They did not know," Lloyd commented, "how strong are the backs, and how long the ears, of their American cousins." The coal owners were "the vaudevillists of the world of values" and the swollen capitalization of their companies "was obtained by adding the dropsical mining stocks to the dropsical railroad stocks. This is one of the cases in which like has not cured like." When the casket-makers joined forces, Lloyd observed that "their action to keep up prices and to keep down the numbers of coffins was secret, lest mortality should be discouraged." "Commerce," he wrote in 1884, "is learning the delights of universal suffrage, and in scores of trades supply and demand are adjusted by a majority vote."

He understood and used with skill the literary devices of anticlimax as well as the dramatic clinching summary: "A work of money is needed that shall generalize the multitudinous facts from wampum to confidence in terms intelligible to common people, business men, other economists — and the author." His account of Jay Gould's corporation-wrecking technique is a longer and more sustained illustration of his art. Here is a part of it:

The hidden hand pulled another wire, and the editor of the *New York World* began to launch forth through its columns startling exhibits of the financial rottenness of the company, and editorial, that is virtuous, indignation at its abuse of the public and its franchises. Then came another can-can in the courts, led by lawyers, who danced long and well, according to the New York code of legal ethics that if a lawyer is not a judge he need not be a gentleman, and if he is a judge, he need not be investigated. Receivers were appointed, more stock-watering was au-

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thorized by the courts, and affidavits poured forth from insiders that the company was hopelessly and irretrievably bankrupt. Manhattan stockholders flung their certificates away for what they could get. The price sank to fifteen and one fourth. Suddenly what had seemed a mass of ruin crystallized into the symmetrical structure of a monopoly, and on its peak, but a few days after he had sworn that Manhattan was hopelessly and irretrievably insolvent, sat the manufacturer of mouse-traps, master of the rapid transit of the greatest city of America. The prentice hand that had fashioned the Erie trap had become the perfect instrument of an artist in the science of exchange.

The dramatic structure of this passage, the quality of suspense it evokes, is its most striking feature. Language and sentence rhythm and imagery (the figure of the can-can dance) become increasingly agitated (note the force of "poured," "flung," "sank") until with the sentence beginning "Suddenly . . ." Jay Gould and monopoly slowly materialize out of the ruins of the Manhattan. A long periodic sentence filled with Latinate words follows the short choppy phrases, and the passage ends with the appropriate coda.

Lloyd thought epigrammatically, trying always to rephrase the familiar; he is at his best in the sententious Emersonian statement that so frequently concludes an argument. "We must degrade Christ into the ranks of common humanity; we must discrown God." "A long look backward gives us the courage to take a long look forward." "Could there be a balder atheism than to call that 'civilization' which unmakes men in order to make goods." "A single privilege like a single leak will founder the ship." "History is condensed in the catchwords of the people." "Our size has got beyond both our science and our conscience." "History is the serial obituary of men who thought they could drive men." "Corporations have no souls, but they can love each other." "A spy at one end of an institution proves that there is a tyrant at the other." "Our tyrants are our ideals incarnating themselves in men born to command." All of Lloyd's works were filled with similar expressions of gnomic wit, but in *Wealth against Commonwealth* especially, they formed a coruscating background for his somber presentation of facts.

II

The idea of Lloyd's powerful book, according to his sister, occurred to him in 1876 when a modest corporation known as the

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South Improvement Company first attracted his notice. Over the next decade he painstakingly accumulated a dossier on Mr. Rockefeller's venture, and in 1889 he began to write his saga of the company whose progress he regarded as "the most characteristic thing in our business civilization — the most illustrative of the past — the most threatening for the future." He had originally planned to make *Wealth against Commonwealth* one volume in the Bad Wealth series; other experts would cover "hot" subjects like the spoilation of public lands by the land-grant railroads, the facts unearthed in the investigation of railroads by the various state committees, the coal industry, the moral and social significance of poverty, and others. Such a series, he hoped, would "put into popular form the mine of information, of the highest value, which is now buried in official reports, investigations, lawsuits." Certainly this was one of the important purposes of his own contribution.

His book was not an easy one to write. The facts he dug up depressed him, and he found the work distasteful. "It keeps me poking about and scavenging in piles of filthy human greed and cruelty almost too nauseous to handle," he wrote to his mother in 1891. "Nothing but the sternest sense of duty and the conviction that men must understand the vices of our present system before they will be able to rise to a better, drives me back to my desk every day. When I get this book done, I am going to write one to suit myself. The subject will be The Commonwealth of Nations." Lloyd loved his fellow men, but he saw them as dupes, "dear fools," who had to be awakened to the menace of monopoly.

The naming of the book bothered him. He wanted something popular and expressive, and he played with such titles as "The New Brotherhood," "Everything Shall Not Go To Market," "Marketing Mankind," "This Ends an Era," "The Rule of Gold and the Golden Rule," "Our Civilization and its Barbarians From Above," "Barbarians of Business," "The Age of Monopoly," "The Civilization of Industry," and "U.S.A. United Syndicates of America," before finally deciding to use the simpler and more forceful *Wealth against Commonwealth*.

After he had finished the book in the spring of 1893 he sent the manuscript to Harpers', who informed Lloyd that neither he nor they would find it profitable to publish it. Their readers found it too

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long and too embittered. Lloyd ought to have let the facts speak for themselves and omitted the hortatory asides. They complained about his gratuitous insults to living people and the arrangement of his book into topics instead of a chronological history. Lloyd defended the length of his book and the plethora of facts it contained and scouted the company's fear of libel. The manuscript had been checked and double-checked by lawyers and authorities on the oil industry. But Harpers' turned it down and Houghton Mifflin followed suit. Lloyd then cut down his manuscript to 250,000 words, and finally after Appleton's sent it back and he had recast it four times, Howells took a hand, and Harpers' finally risked it. Even so, Lloyd put up five hundred dollars.

Lloyd had deliberately sacrificed some of the book's readability (although less than he feared), but he hoped his ransacking of the musty pigeonholes of business would reveal "the keys of the present and clues to the future." One purpose would be fulfilled, he wrote a few months after the publication of his book, "if it succeeds in giving our novelists, dramatists, poets, and historians some hint of the treasures of new material that lie waiting for them in real life. Here are whole continents of romance, adventure and ungathered gold which have been terrae incognitae to our explorers of the pen." This hope was realized. Dreiser, Frank Norris, Harold Frederic, Henry B. Fuller, and others scavenged for themselves, and a new generation of investigators, following his lead, stirred up the slime again with their muckrakes.

But *Wealth against Commonwealth*, despite its sensational chapter headings, its rhetorical asides, its startling accusations, was more than clever journalism, and to emphasize these features, as some historians have done, is to misconstrue its real intention. Actually it was a polemic against Spencerian economics and Social Darwinism. It warned of social disintegration if the present tendencies continued, and it made a plea for survival. Finally, it attacked the claims of monopoly and demonstrated through hundreds of closely packed pages why monopoly was not inevitable or cheap or efficient.

Lloyd had been trying for many years to make these points clear to his contemporaries, who were impressed by size and deceived by the propaganda of the trusts. Words like *cheapness* and *efficiency*, he realized, were relative terms. A monopoly might cheapen the cost

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of a product to the consumer, and yet the product would not be cheap. It was not always easy to determine, moreover, whether “the combination” or less publicized technical improvements produced the economies. There was always the question, too, of the social cost of cheapness. Did cheapness justify the ends used to make things cheap? Such a claim seemed to Lloyd uneconomic and unethical. *Coups d'état* were simpler and cheaper than national elections, but that made them no more desirable. Even if it were true that monopoly brought about vast benefits to the consumer, it would still be monstrous, and anyone who participated in the spoils would share in its complicity; piracy was no less villainous when all shared in the proceeds. His “adulterous generation” did not have the moral insight to see this, and that is why *Wealth against Commonwealth* must be read as a prophet's cry to a sinful people just as much as an attack on Standard Oil. The Americans had fashioned and worshipped a golden calf which embodied their own ideals.

Unchecked power, particularly industrial power, corrupted. Monopoly not only stole the property of others, but like all other tyrannies, it had to extend its domain over noneconomic areas, “government, art, literature, even private conversation.” In short, it was an idea rather than a particular form of economic exploitation that Lloyd opposed, all the more dangerous because of its intangibility. Public opinion blamed the corporation, the railroad, the landlord for social ills,

But [said Lloyd] the corporation is merely a cover, the combination of corporations an advantage, the private ownership of public highways an opportunity, and the rebate its perfect tool. The real actors are men; the real instrument, the control of their fellows by wealth, and the mainspring of the evil is the morals and economics which cipher that brothers produce wealth when they are only cheating each other out of birth-rights.

Any society in which a man could start with nothing and end up owning hundreds of millions of dollars while hard-working, competent men had difficulty making expenses was “override” and headed toward destruction.

Wealth against Commonwealth, opening with the familiar announcement, “Nature is rich; but everywhere man, the heir of nature, is poor,” ends with a solution, a plan to overthrow the en-

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trenched few who manipulate the Congress, the press, the school, and who corrupt the national life. Lloyd traces the rise of monopoly's archetype, Standard Oil, in a chronicle of human predation which starts with plans of a group of determined men to achieve power by any device, fair or foul, favorable to their advancement. He describes, melodramatically but factually, how a gang of business sappers, working under cover of darkness, make their corrupt bargains with the railroads and introduce the secret weapon of the rebate, "soundless, noiseless, invisible, of extraordinary range, and the deadliest gun known to commercial warfare." Corporations like the Standard, which received rebates on the freight of its competitors as well as its own, no longer need to build and dig and create:

They need only get control of the roads. All that they want of the wealth of others can be switched off the highways into their hands. To succeed, ambitious men must make themselves refiners of freight rates, distillers of discrimination, owners, not of lands, mines, and forests — not in the first place, at least, — but of the railway officials through whose hands the produce must go to market; builders, not of manufactories, but of privileges; inventors only of schemes to keep for themselves the middle of the road and both sides of it; contrivers, not of competition, but of ways to tax the property of their competitors into their own pockets. They need not make money; they can take it from those who have made it.

He relates with gusto the conspiracies, briberies, and subversions, the corruption of petty officials and senators, and the entire devious course of the Standard from oil to politics to philanthropy. All the operations are laid bare, and all the important trials and investigations and personal testimony, before Lloyd is ready for his final indictment and his recommendations.

His solution contained nothing startling, for he had been preaching it for many years: "When capitalists combine irresistibly against the people, the government, which is the people's combination, must take them in hand." Popular cooperation in the interests of the many, he knew, could not come until enough people were imbued with the "new conscience" and purged themselves of those qualities most strikingly reflected in the business captains, the incarnations of their ideals. But if public virtue rested on private virtue, private virtue came to nothing unless it was organized. The "citizens of industry" without association remained as helpless as the unaffiliated

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“citizens of government.” Only men in combination could “get and keep freedoms” and become truly civilized. The irresponsible merchant-trader, “the cruelest fanatic in history,” who upset the delicate reciprocities of economics, had to go and with him the prevailing ethics of power and greed. Lloyd believed the American people would act when they learned the facts and saw through the “ordinary stupidity of the vested mind.”

Some of his friends were not so sure. Louis D. Brandeis doubted whether Lloyd’s book would have the desired effect of arousing popular opinion, and he disagreed with Edward Everett Hale’s designation of *Wealth against Commonwealth* as the “Uncle Tom’s Cabin of industrial times.” It was far too removed from the ordinary experiences of the people, he wrote to Edwin Mead, and would hardly lessen their admiration for the industrial captains. Lloyd, Brandeis thought, should have printed the names of the malefactors and shown them as the convicted criminals they were.

Aside from the fact that no publisher would have dared to print the book Brandeis had in mind (Harpers’ was frightened to death as it was!), Lloyd had never intended to write a personal assault against specific individuals. He wanted “to unfold a realistic picture of modern business,” as he said, and to show how American society became an unwitting accomplice to the villainies of its overlords. “We are waiting for some genius of good who will generalize into one body of doctrine our partial truths of reform, and will help us to live the generalization,” he had written at the end of *Wealth against Commonwealth*, and in saying this he explained himself and his purpose.

In the years that have followed the publication of *Wealth against Commonwealth*, critics have assailed him on every conceivable score and damned his book as dishonest, slanderous, overemotional, inaccurate, and prejudiced. Lloyd’s defenders, on the other hand, have maintained that in the great majority of instances, Lloyd was a careful and accurate historian and not the vindictive liar he has been made out to be.

But it is not important now to revive the old battles and decide whether or not the Standard must be held responsible for blowing up a rival’s refinery or whether its officers were more or less unscrupulous than their piratical adversaries. Presumably the Standard

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does not use such tactics today, if it used them then. The significance of Lloyd's book does not depend upon the accuracy of any single indictment, although Lloyd's mistakes are surprisingly few. Lloyd introduced overt examples of fraud, which no one today condones, as crude illustrations of a deeper malaise extending beyond the business community and infecting the entire nation; business malpractice was simply one symptom of that sickness which the balm of "political Christianity" or "industrial religion" might heal. His book should not be read as a personal attack against an individual or individuals.