CHAPTER IV

THE SOCIAL QUESTION AND ITS ECONOMIC SIGNIFICANCE

ONE sees social questions innumerable, but what is meant by "the social question," as if a single issue dominated all others; as if society were afflicted with a single ailment? Statesmen and economists of first eminence can be quoted as speaking and writing upon "the question" as if so simple a term covered the facts. I have seen in a private library nearly one hundred different volumes and pamphlets with the title "The Social Question," or titles strictly synonymous, implying that some one all-inclusive issue had arisen to vex the present generation.

It is first to be noted that those who speak of "the social question" differ widely and often radically as to what the question is. There is a social question to the ultra-individualist, Auberon Herbert, but it has scarcely a single point in common with the social question of that man of ponderous learning, Dr. Schaeffle. Henry George had his question, but it differed fundamentally in two out of the three chief points from the question of Sidney Webb and John Burns. There is not one issue, nor the same issue, for the single taxer and for the socialist. It is an error well-nigh humorous to suppose that even socialists have anything like a single issue. Compare the Marx tradition with that of the English Fabians, or

with that of the able collectivist leaders of the Belgian Parliament. Both in theory and in practical remedies are differences not only of degree, but of kind. Even a little study of the social literature shows that in doctrine and in practice the writers are dealing with a great variety of conflicting issues. I have made from this literature, in the last fifteen years, a list of eighty-four "remedies" for the social question, *i.e.* remedies that were believed to be sovereign. The causes of our ills, in these writings, were fewer than the remedies, but the "root evils" were so many and so various, that to speak of *a* question or *the* question without explanation is open to confusion. Is it "over-production" or "under-consumption"? Is it "adherence to the gold standard" or is it the "silver craze"? Is it "monopolies" or "speculation" or "extravagance" or "over-saving"? Is it the "three rents" or the "private ownership of land"? These are a few of the most commonly assigned causes of our troubles that are most nearly akin. But who could create out of them a single issue? Especially if remedies are introduced, we face many questions, and not one question. If the followers of Henry George are right in holding that the present forms of private land ownership constitute the supreme evil, they are justified in insisting upon "*the* question" and upon "*the* remedy." The socialist who adds to the George evil the private control of the "means of production" raises new complications for which a simple formula is more difficult. If the socialist has become confessedly "opportunist," the simple formula, for theory and its application, is still more inadequate. Shall the term "social question," then, be

left to the single taxer or to the socialist of the ultra-doctrinaire type?

It would be over-nice to put these limits upon a phrase that has so passed into common thought and discussion: it has the authoritative stamp of so many leaders in economics, in politics, and in general literature that it seems unwise to reject it. To accept it without discrimination is no less unwise. If the term is taken neither too seriously nor too literally, its use need not mislead us. Even the narrower term, "the labor question," raises, if closely examined, the same embarrassment, yet it would be pedantic to refuse all use of it. Gladstone even gives a date to the rise of the labor question, which he says "may be said to have come into public view simultaneously with the repeal of the Combination laws" (against trade unions). Do we find fault because people say there is a "servant question"? It lacks definiteness, but conveys a meaning that every one accepts. So many household domestics have become restless, independent, quick to take offence, asking many favors and perhaps granting few, that we have placed this experience among our abiding perplexities. We call it "a problem." The illustration of the servant throws light not only upon a phrase, but upon our whole subject. There has never been a time in our history when the relation between mistress and servant was free from a great deal of bickering and unpleasantness. The entire colonial period is filled with pathetic complaining about servants. Professor Salmon's excellent study[1] will satisfy the most in-

[1] "Domestic Service," Macmillan and Co. Especially Chapters III, and IV.

credulous reader on this point. Yet in spite of this there is doubtless more of a "question" now than in the past. Nor, as with the larger issues, is it any less a question because of the astonishing improvement in the pay and conditions of the servant's life. I have known a woman still active in her eighty-third year who tells me that at seventeen she did the entire work of the household, including the cooking and the care of the new baby, for $1 a week.

This was the average pay of her neighborhood in Massachusetts. Thirty years later, for fewer hours and for far lighter work, her wages were $3.50 and finally $4.50 a week. This does not exaggerate the change for the better in the work and in the remuneration of the domestic. Yet never was more restlessness nor the term of service shorter, nor the entire sensitive relation between mistress and servant more fragile. If we are intelligent enough to avoid the vain attempt to make the behavior of the employer or of her helper perfectly rational, there is little difficulty in accounting for the sentiment from which the difficulty chiefly springs. The rise of wealth has been so rapid that this service is always in demand. There is, perhaps, no more telling proof of material prosperity in the United States than the history which domestic service affords. Nothing but great material gains could have given domestics such opportunities within living memory. Their wages have trebled with far easier tasks and increase of freedom. To many disturbed persons this remarkable progress in the lot of the servant is precisely what constitutes the absurdity of the situation. "Do these creatures," it is asked, "want the world?" They want, like their

betters, all they can get: all the comforts, all the leisure, all the income they can command. Contentment and docile behavior are not a consequence of enlarged income and increased well-being. These new acquisitions, as we all observe, rarely quiet discontent; oftener, indeed, augment it. Every addition to wages, every opportunity opened to the imagination by easier travel, by the press and by education, quickens the desire to change one's place, in the hunt for a "better thing." A troubled New York mistress says: "It is all the fault of the *New York World.* My servants never bothered me much until they got the habit of reading every day the 'ads' and 'wants' in that paper." But this lively journal merely reflects modern life. All its agencies tend to intensify the consciousness of what is undesirable in our actual possessions. There is scarcely a device of the new conveniences that does not plague us into dissatisfaction with our actual place and belongings. The objectionable self-direction of the domestic is full of unpleasantness, but it is as futile to rail at it as to abuse any other consequence of growing democracy. I have seen a proud woman grow white with rage because a servant, who had given references, dared to *ask* for references. This astonished wrath is a symbol of the conflict of ideals in this relationship as well as of its probable duration. However imperfect this illustration of the term "servant question," we see, altogether apart from its rights or wrongs, that a problem has arisen out of disturbed feelings as to prerogatives. It is purely a sentiment, but it makes all the riddle there is. The social question is but a wider and more complex issue. Its perplexities are

made from the same stuff of human ambitions to get on and up.

We may now enlarge our inquiry and ask: Is there a social consciousness of things industrially wrong that has definiteness, volume, and persistence enough to make a grave problem for our time? It would be fatal to take the measure of our unrest from the prosperous periods alone. An average must be taken which includes the crisis and times of depression. The answer, if it is to carry conviction, should point first to those facts that are open to least dispute and to least misunderstanding. I therefore begin with an illustration that shows the problem in its very simplest form. In a town recently agitated over the private ownership of its waterworks, I was told by a large owner in the company: "It is all very absurd. We have put in a splendid plant with all the new inventions up to date. We have good water and plenty of it. The rates are not exorbitant, and this is admitted. Yet, somehow, there has been growing up a feeling of hostility against the private company for a dozen years."

Here, as in a child's primer, is the economic aspect of the modern social question. It is created by this local feeling of hostility. It presents, in this instance, no difficulties for our analysis because of its simplicity. Its value as an object lesson is all the greater. Why, even with no very special abuses, should a town be agitated from so slight a cause? One of the owners assured me it was all the work of two local demagogues. "This nonsense of city ownership," he said, "is in the air, and they make political capital out of it." To few others in that town was this explanation sufficient.

During some days spent in this community, I asked many different people why so much feeling had arisen. I went first to the leading merchant, then to a lawyer, then to an editor. What they had to tell was monotonously familiar to every student of these questions. As in hundreds of other towns, the people of an earlier generation had freely given the right to distribute water to a private person. He was the most enterprising man in the town. He was willing to take the risks and did in his time an unquestioned service to his neighbors. Incalculable millions' worth of franchises for railroads, street cars, and lighting companies have been given away in precisely the same manner. Many an interest which may become finally a most objectionable monopoly *begins* and long continues to render indispensable service, just as the truck store is often at first useful and necessary to workmen, but later may become rank with abuses. Populist critics have been very severe against the railroads because of the unearned increment secured from the alternate sections of land given by the government. The Illinois Central, for example, secured enormous land grants in 1850. This has been called "a colossal robbery of the public domain," but no one will read the speeches in the Thirty-first Congress on this grant, without seeing that it is very absurd to call it robbery.[1] The ablest men of the time—Seward, King, Douglas, Cass, Benton, and Henry Clay—believed the regions through which the proposed roads were to run to be practically worthless. They believed the risk of the enterprise to be very great. Clay said: "There is nobody who

[1] Proceedings of the First Session of the Thirty-first Congress (p. 844), April 29, 1850.

knows anything of that grand prairie who does not know that the land in it is utterly worthless for any present purpose, not because it is not fertile, but for the want of wood and water, and from the fact that it is inaccessible, wanting all facilities for reaching a market or for transporting timber, so that nobody will go there and settle while it is so destitute of all the advantages of society and the conveniences which arise from a social state. And now, by constructing this road through the prairie, through the centre of the state of Illinois, you will bring millions of acres of land immediately into the market which will otherwise remain for years and years entirely unsalable."

Seward thought the grant for "the best and highest interests of the people of the United States." The government, he adds, "owes to itself and to the states to make liberal and at the same time judicious appropriations, to extend its network of railroads and canals over these new regions, where the people and the government are unable to construct the work themselves."

Benton's words were as follows: "The principle of the bill before the Senate is to take the refuse lands and appropriate them to a great object of internal improvement, which although it has its locality in a particular state produces advantages which, we all know, spread far and wide; for a good road cannot be made anywhere without being beneficial to the whole United States. . . . Sir, you may travel a hundred miles through a country of marshes and uncultivated land, which is not only worthless, but far worse; it becomes a place where miasma is generated and where beasts have their haunts. But this bill

proposes to make some beneficial disposition of these lands. Of the general principle of the bill I cordially approve."

Douglas said: "These lands have been in the market from fifteen to thirty years; the average time is about twenty-three years; but they will not sell at the usual price of $1.25 per acre because they are distant from any navigable stream or a market for produce. A railroad will make the lands salable at double the usual price, because the improvement made by the state will make them valuable. It is an old practice, long sanctioned by the government; we propose now to give away half of it on condition that the other half shall be rendered worth $2.50 per acre."

King and Lewis Cass spoke strongly to the same effect.

This was at the time honest opinion. It prevailed because it was widely believed that this lavish gift of land would result in progress for the common benefit. In Dr. Robert's admirable "History of the Anthracite Coal Industry," the reader may see how inevitably those precious deposits passed into private possessions. It is a story in which the great risks taken are marked by hundreds of failures. It was the exceptional man who made money. The community came to be grateful to any one who could surmount the early difficulties and get coal to market.

Until very recent years the only public opinion to which appeal could be made would have ridiculed any suggestion of state ownership. With that easy wisdom which comes after experience, we wish these

deposits were public rather than private property. We wish, in the days when it could have been profitably done, that the government had set apart large mining tracts just as New Zealand did, and as Canada has done. We were not wise enough at the proper time, but gave every legal sanction to the private owner.

In a New England city where street franchises had proved unexpectedly profitable to a private company, I asked a citizen of genuine public spirit, who had been most prominent in securing the franchise for the company, what he now thought of the transaction. He replied, "It has taken two or three millions of money from the public and made a few men rich, but I made an honest canvass of the town and there was no man known to me in this city who was not glad to have us take the streets and give the public the benefit of our service." Upon the whole this stands fairly for the origin of most of these properties. With the undreamed growth of cities and of population, the fabulous value of many of these franchises and of other monopoly privileges slowly dawns upon us. Both privileges and abuses have become so clear that the public rightly insists upon coming into an entirely new relation with these bodies. It insists first that the public shall have a larger share in the monopoly gains, chiefly through some form of taxation, and second, that the public shall secure itself against specific abuses by an extension of legal control and regulation. There is no more competent or conservative opinion in the United States than that which makes these two demands. The degree to which taxation and regulation shall be

carried, will more and more divide candid opinion along the lines that separate the individualist from the socialist. If the socialistic sympathy is strong, it will insist that no "regulation" can long repress the evils of private ownership in any business that is fairly termed monopolistic. The battle is now on in this country between "regulation" and public ownership for certain forms of monopoly.

In the instance above given of city waterworks, the growth of a sentiment toward public ownership may be seen in its very simplest form. A strong man with his lawyer secured the water privilege. A small number of influential people were allowed to take stock, and ample dividends followed. Rank abuses or gross corruption were never charged. The editor admitted that "the private company could perhaps give us water as cheaply as it could be given under public ownership. "The trouble is," he added, "that a great deal of suspicion has been roused because of the secrecy connected with the whole business. We have found out that a small set of citizens have a high class investment. They give a good many reasons to prove that their management is excellent. It is not this so much that we doubt as that we don't really know what they get or what the public loses. Some ten years ago lectures on municipal ownership were given for the first time in this community. That started the discussion in the local papers. From that time the agitation has not ceased, and it won't cease till we have the corporation in public hands. I am convinced that those business men and lawyers who control the corporation can easily enough keep the plums for themselves. They

are shrewd enough to understand that they must serve us fairly well and have no scandal. They can do that and still keep gains for themselves that ought to go to all of us." The history of the ownership of waterworks in the United States is told in this simple testimony.

But a great deal more is told than this. When the director of the water company said, "Somehow there has been growing up a feeling of hostility against the private company for a dozen years," he put the general experience of a generation into a sentence. It is not certain that upon strictly business grounds this hostile judgment was sound. It is certainly possible that under private ownership water may be distributed as well and as cheaply as under public management; but, in this instance, as in hundreds of others, the people had come to have so much doubt and suspicion that an issue was raised. The slow growth of this town feeling against a natural monopoly is, upon its economic side, the essence of the entire social question. It was in a large neighboring city that I was told, by a writer of national reputation, that his attention to socialistic problems was first aroused by the solicitude of certain directors in a private city gas company, that considerable blocks of stock should be sold to picked citizens. One director was frank in his statement. "There is a good deal of crazy talk in the air about city control of gas. It is so valuable a property that the possessors of it are sure to oppose any movement to take it over by the city, therefore we must see to it that the really influential people, or those who might cause us trouble, have the stock." Professor Rich-

ard T. Ely has told me of an amusingly similar experience. The machinery of the water supply, ministering to the necessities of the whole population, was narrowly owned. The business was extremely simple, the demand for water constant and increasing, the risks were few. Given this situation, the public is sure, upon the slightest suspicion, to ask why the machinery should not be owned by the town it serves. If it is a good property for the few, why may it not be profitable to the many? To this it is said: "Everybody cannot manage expensive machinery as well as the selected few in a private company. The few, guided by self-interest, have superior ability." The people have learned to make one troublesome inquiry about this private superiority. They ask, even if private control is more effective, do the people necessarily get the advantage, or does it pass to private pockets? Suspicion upon this point increases among us every year. When the last century came in (with one or two exceptions), all waterworks were private property. To-day, certainly, more than one-half are under public control, and the tendency is so strong in this direction that the discussion may be said to be practically final for public ownership in this one department.

As we pass to the more complicated machinery, — that, for example, of city lighting, telegraph, and transportation, — opinion is not convinced as in the case of waterworks, but he is a dull observer who does not recognize that the tendency is as steadily in that direction as the movement of a glacier among the great peaks is toward the valleys below.

The contests over electric lighting, except in tech-

nical respects, are still relatively simple, because vested interests have not grown into baffling entanglements. The risks are far greater than with water because electrical mechanism is still in an experimental stage, requiring rapid, constant, and expensive changes. This fact would, in theory, seem to justify the city in throwing the risks of such expensive changes upon private companies. Some German municipalities that have adopted the principle of municipal ownership are careful to leave a risky responsibility of this kind to private enterprise. Yet, in spite of these delicate risks, an increasing number of our cities adopts public control for the same reasons that have brought the changes in the furnishing of water.

The machinery of street transportation brings new complications because of the greater magnitude of the problem, and because of older vested interests. Yet, who that follows the history of popular feeling on these subjects in our large cities doubts that the same critical spirit is steadily growing against the private management of the street-car service. With a far greater machine — railroad transportation and large portions of our mining, that are inextricably a part of the railroad — the purely practical difficulties of public control in our country become formidable in the extreme. Yet no array of difficulties can hold in abeyance the same sentiment that the railroad machinery might in some way be used for a larger common good.

I am not now arguing for collective ownership, but trying to test the currents of opinion. Whether the opinion is discreet or foolhardy, it is as a fact

growing more and more distrustful of exclusive proprietorship over certain forms of industrial machinery that are conspicuously essential to wide public interests. On its economic side, this distrust is the irritating heart of our social problem. I have seen a chart giving the growth of this sentiment against all forms of the great machinery that is loosely classed as semi-public corporations in nine different countries. The result is practically everywhere the same, though with varying intensity. It is found in free and democratic Switzerland, Australia, New Zealand, and England, as well as in autocratic Germany. Forms of government seem alike indifferent to the process of socializing this machinery. Given a certain degree of industrial development, and the inevitable result follows of continuous extension of the public function, — railroad, telegraph, telephone, gas, electric lights, street cars, and of innumerable public works. If there is any authority in the cumulative experience of industrial evolution over so wide an area and under circumstances so diverse, this would appear to furnish a trustworthy instance. This fact of long and persistent experience under a great variety of national and social conditions has the weight and sanction which every considerable record of social growth must always carry with it.

For proofs of this tendency we need not turn alone to foreign peoples. The achieved result of public management is in its infancy with us, but the first great step of transformed opinion and tentative legislation has already been taken. Dr. Whitten of the State Library at Albany publishes bulletins which

show how steady and strong the drift of public legislation has become among us.[1] Commenting upon this, a writer in the *Nation* observes, "If we define socialism as the tendency to enlarge the functions of government, we must admit that the general drift is in that direction." One of the older of the Boston lawyers, who had occasion to examine these statutes in the different states, writes: "We seem to be giving up all ideas of state functions that I was taught were sound. My college instructors were very dogmatic about the work which the city, state, and government could undertake. Experience has, I think, turned every one of their reasons topsy-turvy. Somewhere in the world I see that the community is doing satisfactorily what my teachers proved to us boys could not possibly be done without confusion and catastrophe." Still wayward and uncertain of itself, the general movement is now easily discernible.

If confined to its economic aspects, the dissatisfaction out of which the social question springs has its origin largely in the growing belief that mechanical science and invention applied to industry are too closely held by private interests. An enormous private ownership of industrial mechanism, especially if coupled with lands and mines, is now clearly seen to carry with it powers and privileges that may easily be turned against every promise of free and democratic society. If it is true that dissatisfaction has gained such headway as to disturb more and more the currents of our social and political life, that of itself makes the problem of our time.

Let us test this briefly, first, by reference to gen-

[1] "The Trend of Legislation in the United States."

eral opinion, second to organized labor, third to certain farmers' associations.

General Opinion

In one of the largest business men's clubs in this country I listened recently to a discussion upon Municipal Ownership. At the close of the meeting the president of the club said: "I would not have believed that notions could change so rapidly on any subject as they have upon this. Ten years ago this audience would have listened perhaps to a plea for municipal control of street cars, lighting, etc., but not ten men in the room would have believed a word of it. To-night, a third of the members, whose interests are not endangered, would vote for it, and most of the others would go so far as to admit that the proposal deserved very careful discussion." A lawyer prominent enough to be president of the local Bar Association added: "Even five years ago it was hard to find any strong man in the club who felt interest enough to talk about the topics two minutes. To-day few topics are certain to excite livelier discussion." I asked to what cause he attributed the change. "Chiefly," he replied, "to the facts brought out by local reform associations. They have proved to everybody, what many of us knew and all suspected, that the city council was as regularly debauched by these corporations as the necessities of their business extension required. The directors always cry out, 'We are under a perpetual blackmail, and therefore can't help buying aldermen.' If they tell us the truth, if regular corruption is a necessity of private manage-

ment in this city, then it is too dangerous a power to intrust to such a body. Though the city would, of course, run the same risks of political abuse, it would be better for the public to take the responsibilities openly, and meet them as best it can."

This illustration possibly overstates the change of general opinion throughout the country, but it indicates fairly how great a change has been wrought. To hear these views from the ablest practical men is no longer a surprise. The tone of editorial discussion is just as marked. One of the most influential of Massachusetts dailies now boldly takes ground in favor of public management, even of railroads, telegraph, and telephone. Two others are ready at all times to discuss the municipal issue with that openness of mind which assumes it to be an unsettled question. The editor of one of these papers tells me point blank, "Personally, I have no doubt we are coming to city ownership, and ought to come to it."

The current literature in favor of extending the functions of the city has come to be so prolific that it is hard, even for the special student, to follow it. For some years I classified the articles upon this subject as they appeared in general magazine literature. A dozen years ago the task was light, but a year since, from sheer weariness at the amount of matter, the task was discontinued. In one of our largest libraries, the librarian, struggling with the difficulties of a new catalogue, told me "our greatest nuisance is the increasing mass of literature on social questions. Are people growing crazy on that subject?"

Capitalists, and the agents who act for them, are daily furnishing testimony to the same effect.

An able article in *Municipal Engineering*, by J. B. Cahoon, warns capitalists not to oppose state regulation. He fears and opposes city ownership, but says to his business friends: "There lie open to us two paths, municipal ownership or private ownership under state regulation. We certainly do not want municipal ownership, therefore let us prepare to accede gracefully to the other course; and not only that, but let us help it along. In that lies our salvation." He then adds, "I doubt if there are in this whole association a dozen members who realize fully the gravity of the present situation for the private ownership of public utilities." "The number of agitators that are crying municipal ownership of public utilities is constantly and rapidly increasing; they are attacking us in all parts of the country, even now, and the attack will be stronger and stronger as time goes on." [1]

Views of Organized Labor

It is dangerous to report class opinions. "What labor thinks" has been the lying text of many a demagogue. There is no uniformity of conviction upon a single industrial topic among some twenty millions who work for wages in the United States. It is only in the case of labor organized that one may

[1] I am told by an official of a telephone company that the agitation for municipal ownership has developed so far that the company has quietly gathered from all sources every fragment of available evidence bearing on the problem. "We propose," he said, "to be better equipped than the cranks when the fight comes on."

speak with the least degree of assurance. Though this is but a small fraction, — perhaps one in fourteen or fifteen, — its weight in terms of opinion is far more important than is signified by numbers. This organized minority has scores of trade journals. It has a literature and extensive agencies for propaganda. It has a steady tendency to set the current of beliefs among a far larger number than that under the immediate control of the union. To treat these convictions, therefore, as of slight account is the kind of error for which no one seems to have so special a talent as the so-called practical man.

The new step taken by organized labor in this country during the last ten years is to learn the possibilities of political action. Twenty years ago those who guided the movement were afraid of politics, to-day they see in its skilful manœuvring a new hope and a new era.

The shrewdest trade-union leaders observed in the great strikes of 1892 and 1894 that the chances of favoring political influence (if the right moment for the strike were chosen) were full of promise. The brilliant victory of the strike of 1900, led by John Mitchell, and deliberately aided by the most influential man then in Congress, so confirmed this impression that the great labor struggles of the future will have a still closer and more calculated reference to politics. As this conscious alliance strengthens, it will become almost more dangerous to defeat the strike than to help it toward victory. Increasingly, too, the issues upon which strikes of the first magnitude will turn are issues that bring us face to face with the alternative of public control. The general interest

and attention are henceforth directed along socialistic lines, not by books, but by stirring events. The influence of this close relation upon trade-union convictions is already apparent.

The older trade-union faiths were oftener individualistic than collectivist. Year by year they have been modified, until it may be said that they will soon be, if they are not already, practically unanimous in demanding public control of the natural monopolies, — gas, electric light, street cars, as well as railroads, telegraph, and mines. If it is asked what has solidified their thought upon this subject, the answer is found in a wide and very bitter experience. I shall not claim that their ordeals have been undeserved. I shall not hold the unions guiltless of many special acts of intolerable behavior. The aim is now not to judge their conduct, but to know their opinions and the changes they have undergone.

Their views vary, step by step, as certain forms of machinery develop and react upon labor. As the iron takes its shape between hammer and anvil, labor organization has been made by the organization of machine industry. But for the introduction of these inventions, and the way in which they have been applied to industry, the laborer never would have submitted to the long and terrible sacrifices that organization has cost him. For the cities where the unions have won their strength, the most telling object lesson has been the mechanism of street transportation. This is the great machine of the city, as the railroad is for the country at large. For a quarter of a century the strikes upon street cars and railroads have brought home to the trade union the most

instructive lessons it has learned in this country. As this labor has thrown itself against semi-public corporations it has been made to see the hard limits beyond which mere unionism cannot go. It is thus with every defeated strike that one sees the employees turning with steadily growing conviction against private ownership and in favor of public, in the hope that favors can be forced from the public which the private corporation refuses.

Especially in its conflict with natural monopolies like street-car companies has labor learned its politics. In the heat of more than six hundred such strikes it has been taught how the powerful natural monopoly within the city is guarded by secret privileges won in the lobbies. It is in part the knowledge of this that so rouses the wide public sympathy which we have seen with the strikers in so many of our cities.

In Milwaukee, after the great strike, I found neither doubt nor hesitation that the angry popular suspicion of undue political influence was justified. The reigning political party had its roots deep in city affairs. Contracts were made to the direct end of strengthening this hold. The heat engendered by every such strike brings these facts to light. I was told by a citizen and stockholder, whose judgment was thought to have special value, that it was well the people knew so little. Their suspicions, he said, "are more than justified. I hate all talk about socialism, but this strike has taught me a lesson I never could have learned from books. This form of city monopoly, half private, half public, has got to be brought under thorough and consistent municipal direction. Whether

we should lease it out or own and manage it, I do not know, but we are near the end of all ownership that is not far more responsible to the public than anything we have known here." A leader among the workmen said, "Nothing that has ever happened has done so much to turn our men toward municipal socialism as this strike." There is scarcely a limit to the amount of testimony to be adduced from scores of cities in the United States. In an economic study which was pronounced "careful and judicious" by a committee of the American Economic Association,[1] the reader has a glimpse of the entire street-car problem in the United States. For magnitude of demoralization, the instance here given does not compare with some of the railroad corporations, but its narrowed area enables the investigator to report upon it with much closer accuracy. As this Cleveland machinery of transportation slowly consolidates, offering ever more glittering prizes to private ownership, the author tells us the result.

"It has brought together a combination of men whose commercial and political power is practically unlimited. Representing as they do, with their associates, the managers of both party 'machines,' it makes little difference which party is in power, so far as gaining their ends is concerned. And this power extends beyond municipal into state matters as well. Legislatures as well as councils are made the tools of these corporations. The fifty-year franchise bill was almost as much a party measure as the election of the United States senator who championed

[1] "The Street Railway Problem in Cleveland," Macmillan, 1896. Especially pages 313, 315, 354.

it. The same forces which made him senator made this bill a law.

"When we approach the question of corruption in the award of franchises, it must be admitted that the system has thus far put an immense premium upon all sorts of jobbery and corruption. The street railway interest has been all-powerful in the control of political machines. It has not only secured, apparently for the mere asking, the most valuable privileges which the city council could bestow, but it has also escaped the performance of many obligations which the state has compelled the council to make a condition of its grants. It has prevented the enforcement of nearly every law which it has not cared to obey. And now it has an enormous inducement to corrupt a majority of the council in order to obtain the most valuable grant ever put into the hands of that body to bestow. All this it has been enabled and encouraged to do under the present system, which offers to unscrupulous men both the motive and the power to corrupt the city government."

With tiresome uniformity this is the story of other cities. No body of citizens has shown a readier wit to discover these facts than the trade unions. Their journals show how early they were to appreciate the drift of events and to understand their bearing upon labor interests. With every new object lesson of successful or defeated strike, this group opinion has grown more confident and more definite; that monopolized machinery of city transportation, lighting, and telephone should be taken over by the public authorities. Twenty years ago opinion was formless and hesitating, to-day it is clear and decisive.

The Farmers

As in the case of the industrial laborer, we have to consider on the agricultural field only those among the farmers who have established organizations. We have even to omit certain granges whose purpose is almost exclusively social and agricultural. Much amazement is expressed at the massing of great capitals, but if difficulties are taken into account, it is perhaps no more an object of surprise than that millions of farmers, since 1867, should have organized to such extent for what they believe to be their own defence. They were bound together neither by common tradition nor common politics. Their resources were scanty and they were separated by wide geographical distances. The real beginnings are soon after the Civil War, when invention, as applied to industry, was organized for the first time in our history upon a great scale. As if by some impulse common to them all, business, trade unions, railroads, farmers, and even charities are caught by this new spirit of organization. Only two years after the close of the war the "Patrons of Husbandry" was founded. This order began with the vaguest statement as to aims, such as "industrial benefits and the social improvement of its members." Vigorous efforts were made, as with the earlier trade unions, to exclude all discussion of politics. This nervous solicitude to eschew politics is full of significance. Protesting never so loudly that they will shun politics, they have year by year yielded more to its claims.

The deepest purpose in most great movements comes tardily to consciousness and is openly admitted

with extreme reluctance. Early in the Reformation, Luther is vehement in asserting, "I will do nothing against his Holiness, the Pope." Lincoln was sincere in repeating that "he has no purpose, directly or indirectly, to interfere with the institution of slavery in the states where it exists," that he has "no lawful right to do so." Yet the movement behind both these strong men drove them to eat their own words. In the first decade of the farmers' agitation there is much honest and well-meant horror of questioning the infallibility of party politics. The discontents that gathered about the crisis of 1873 raised the number of grangers to thirty thousand in 1875. Then come internal jealousies, the inevitable conflict of discordant aims, and the "dangerous effects of prosperity." The strength of this organization as an influence continued hardly more than ten years. Reviewing its history in 1891, leaders justified their work by pointing to its influence in lessening the patent-monopoly of sewing machines, "thus saving," as they say, "millions to the people annually"; in directing a successful agitation against transportation companies by helping on the interstate commerce law, etc. They have also much to say about oleomargarine, agricultural stations, and arbor days. But chiefly to be noticed is the unmistakable beginning of opposition to the forms of monopolized machinery that concerns the farmer's life. In 1880, a larger organization takes the field in the South, the Farmers' Alliance. This soon adopts six ethical and educational generalities, in the first of which "a strictly non-partisan spirit" is taken. It gradually federates with other farmers' organizations, until a

"union platform" is adopted, including the aims of the northern and western associations, as well as those of the Knights of Labor. Politics now becomes a conscious purpose, and a new and bolder position is taken toward the currency and methods of exchange and transportation. The National Farmers' Alliance in the Middle West had, as early as 1877, brought politics and "anti-monopolies" to the front. At the Cincinnati convention in 1891 the full spirit of the peoples party, with its political and economic ideals, takes shape. The evils to be overcome are now far more definite. Landownership by foreign syndicates is opposed; lands that have been taken by railroads and other corporations, in excess of actual working necessities, are to be reclaimed by government; railroads and telegraphs are to be taken over and operated by the state.

When it was said to the farmer, "Your produce would rot in the field if it were not for the railroad and this same money power," the usual answer was, "We farmers understand our interests well enough to know that, but we also know that it is only half of the truth." From 1867 to the present, the conviction has deepened that "some way must be found in which these mighty agencies can be used more equitably for the public good and less exclusively for fattening the few." The whole movement is created by this feeling.

The mere text of these programmes is, of course, not sufficient to tell us what the most tenacious purpose of the party is. Platforms are padded like those of the republican and democratic parties. Beyond the printed rhetoric is the real aim of the stronger spirits

that cannot wholly display itself. During the campaign of 1897 in Chicago, I asked three of the most influential men then crying for free silver, if "16 to 1" represented the most fundamental changes which they desired. It appeared in each case that the "grip of the money power" was the deeper problem. One, whose writings had done much to inspire the party, assured me that the actual issue was of course important, but he added, "the evil that we are after is that connected with the great monopolies." The leader of this movement in Massachusetts says, "Practical reasons forced us to bring the silver issue to the front, but the great interest which unites us all is the dangerous business and political influence which the money power has at last got in this country."

Here is the misfortune of this much-bewildered party, that its grievances have such heterogeneous character and are so difficult to formulate. The stupendous organization of industrial and scientific invention is now under the control of the strong and successful. A thousand privileges, political and legal, protect them in their possessions. The laws of inheritance multiply every advantage. Many of our strongest papers are at the disposition of these interests, often, indeed, their private property, and legislatures and city councils are frequently moulded to their wish. What can the invertebrate multitude, torn by many conflicting interests, do before a power so formidable? Thus far it cannot even state its own case. This it is which gives a merciless advantage to every critic of the peoples party. The very term "money power" has become a cant well-nigh intolerable. There is scarcely a severer test to fair-

ness than that to which the student must submit, as he passes judgment upon the thirty years' history of the farmers' agitation. To hold it to the mere letter of its complaint is unjust.

The most frequent critical judgment is that the one thing all populists are after is fiat money. This craze is said to be the one thing that unites them. There is much truth in this, but it requires a most important qualification. Views upon the currency alone do not test this movement. A fairer reading of populist opinion shows that money is conceived of as an interlinked part of our commercial mechanism. It is thought of as a medium through which this mechanism is vitalized. The instinct which seeks to change the monetary system is the same instinct which seeks more power over the railroad, the bank, the stock exchange, the telegraph, and the grain elevator.

To see the movement as one against the too exclusive use of this industrial machinery, is to see it in a light that helps us interpret it, without violence to what is deepest and most permanent in it. The social question is forever an attack upon what, in some form, is thought to be unfair privilege. Economic privilege is now an inseparable part of the machinery of modern production and distribution. The farmer attacks railroads because they touch him at so visible and sensitive a point. He strikes wildly at "futures" on the stock exchange, at our banking system, at the "single standard," because these are to him the express tokens of industrial privilege. It is this ultimate and determining impulse which enables us to give this agitation its proper name.

Stripped of its padding and accidents, it is a socialist propaganda.

During eight yearly visits through Western towns, covering a period of hard times and a period of exceptionally good times, I tried to gather evidence upon this question. There are two extreme conditions to be kept in mind. There are first, vast fertile areas on which the farmer is as prosperous and contented as any class with which it is fair to compare him. There are other wide areas, like parts of Kansas and Nebraska, in which capricious climate accounts chiefly for the chronic ills under which the farmers suffer. Between these extremes is found a very large class whose discontent is real and whose feeling, year by year, grows more socialistic. I tried in each community to find out the farmer whose opinion upon such subjects was thought to be of value. A fair summary of this testimony can be put into the experience of a prosperous farmer whose intelligence had general recognition in his city. I give this, as nearly word for word, as note-book memoranda permit. It is stated at length, because the illustration is believed to carry more truth than any mere analysis or general discussion.

"For seventeen years I lived on a farm out of town. For nine years I have lived in the city and rented my farm. I have got ahead a little, as three-fourths of the farmers I know have done, if they have worked hard and intelligently. If I had not read two books, Henry George, in the early eighties, and later Bellamy, I should have grubbed along and never thought anything was wrong. Those books set me thinking how the things we grow and make

are divided up. I have read ever since, and gone to a good many lectures; but what influenced me most was watching and finding out how a few men got very rich, and a large number amassed fortunes here in town, by owning and running the street cars. They were, many of them, high up in politics, and got the streets for nothing, and then from year to year bought up the most valuable pieces of land in the city, because they knew where they were going to put down the tracks. I was in a position to know how the fat contracts — building, paving, etc. — were put out so as to strengthen political control, which these men needed. I have seen a contractor grow wealthy in ten years, solely because he could manage politics in one section of the city. The corporation bought him in this way. No man can get on to the city council if those men do not want him there. The town has grown rapidly, and these men with their friends have got all the cream while we've got the skim milk. A man can't die on skim milk, but you don't like to see a few at a side table take all the cream. They tell us they have done big things for the city. I admit it is true, but we have all found out here how the clique got a great deal more out of it than they ought to get, and the rest of the town too little. At the start nobody knew what was being given away in parting with the franchises. The people are finding out their mistake, and they never will be quiet till they have got them again. Now, when I understood that problem in my town, I began to reason about the railroad and telegraph system in the whole country. If a few men could get the cream in this town, it was easy to see how the Goulds

and the Huntingtons could do it in a much bigger field.

"I don't doubt they have helped the country in some ways, just as the street cars have helped this town, but in both cases they have got the cream and the people the skim milk. Now, nothing will make me believe that there isn't some way of doing this business — that is as much public business as it is private — so that the people shall get fairer treatment. It is thinking about these things that made me join first the local alliance and, later, the peoples party, because they are trying to do with the railroads and certain other monopolies what we in this town propose to do with the street cars and the electric light."

I submit this case as fairly representative, enabling us so far to account for the suspicion and restlessness that make this phase of the social question. It is, of course, legitimate to challenge his remedy of public ownership. We cannot deny a certain justification to his sense of wrong. As he felt it, millions of others have come, or are coming, to feel it.

The *form* in which the farmer has stated his grievance has often been so muddled that any economic tyro could make easy jest of it. When the Irish farmers began to agitate against landlords' rent, it was just as easy to make those agitators appear very absurd. All the economic commonplaces were turned against them by the "highest authorities," as well as by smart writers in the daily press.

As we now look upon these events it is clear that those Irish farmers were far nearer right than their patronizing opponents. The farmer was paying an amount of tribute that the land could no longer

afford, and a whole body of the most socialistic legislation in modern times was grudgingly enacted.

The heart of the protest among our own farmers may in time look far more intelligent than the glib complacencies which the "articulate classes" level against them. As the blade of economic rent cut too far into the loaf of the Irish farmer, it may prove that the close organization of railroad, tide-water facilities, the stock exchange, and the great banking filches too freely from the farmers' earnings.

The present alliance of these business interests is the most powerful industrial machine that the world has seen. It is a mechanism that gathers to itself every triumph of science and invention. Will the financial kings, whose colossal ownership enables them to control and direct this enginery, use it so that its benefits become uniformly apparent to the farming class? It is not enough that the farmer is kept loyal merely through the "curve of prosperity," his confidence must have sustaining enough to keep his loyalty through curves of depression. The farmers cannot be made to believe that the unhappy zigzag between fatness and leanness is wholly due to fickle skies and occasional bad crops. They know enough about the fatal rhythm of the crisis and its connection with gambling distempers in the market, to protect them against so naïve an exposition. They guess as giddily at the real source of crises as many of the men who write books upon that subject. The farmer may nevertheless be right in attributing one leading cause of these disturbances to the way in which these great commercial forces are used.

That the canting use of the term "money power"

has become an offence, ought not to cozen us into the belief that the term has no serious meaning. The centralizing of banking and transportation with many of the first and most necessary industries is an event so momentous that the ablest men differ utterly in their interpretation of it. Is this money power, as now directed by private interest, a social menace?

I have put this question to many men of very large experience. Most frequently the answers are optimistic, but there are no more competent witnesses in this country than a large number of men who look upon this same "money power" with the gravest misgivings. They will state these doubts more freely in private, not necessarily from cowardice, but from honest intellectual perplexity before the practical difficulties which the question involves.

I can condense these misgivings in the opinions of two lawyers with princely incomes from corporation practice. Both have university training and have written books. They agreed that the next great issue in this country was likely to be with the money power, defined as an alliance of the great banking with vast businesses which have, or can be given, the character of monopolies.

I showed these opinions to two men, a banker and a trust organizer. One has a national reputation, the other is frequently quoted in conservative discussions of finance. Both are republicans and very prosperous. I do no injustice to their views in saying that they were still more pronounced in their fears that centralizing financial control is a distinct social danger.

The banker said: "No such power ever fell into human hands as that which some twenty-five men now hold. I do not believe they mean to abuse it, but I do not see how they can continue to control it so that it shall not get us into both business and political difficulties."

The trust organizer said, "The next thing that will be recognized, even by conservative men, is the tyranny in this country of this money power."

I do not put upon this testimony any very ominous interpretation. It may prove that the interests of these captains of industry will coincide with the common good. My object in quoting the above views is to show that at bottom these men agree with what is the core of the farmers' discontent.

It would be fantastic to say that the farmers mean what these lawyers and the bank president meant. The latter expressed reasoned opinions, based upon long and detailed experience with financial affairs. They may be said to see as far as any one sees into the problem of commercial organization. They have at least some conception of the obscure relations in which banking, transportation, and certain great industries stand to each other. Far less of this is understood by the farmer. His error has been expressed in such ways as to cast suspicion or contempt upon the party as a whole. The injustice of this against the peoples party is flagrant. Beneath all errors of conscious explanation may still be found an instinct that is sound and right. Skilful dialectic and literary good form may as easily win a bad case, as ignorant handling may lose a good one. From this cause the farmers' movement has suffered. Its most

strident emphasis has too often been upon the wrong issue. Many of its most hopeful proposals have been obscured by irrelevancies, or so stated as to carry no conviction.

What any fair critic may already see behind the faulty presentation of populism, is that the moving purpose of it is closely akin to that just considered under "General Opinion" and under "Trade Unions." If carefully studied, the doubts and suspicions of the populist are seen to be strangely like the doubts and suspicions of the two lawyers and the bank president. The ignorant and the less ignorant agree that the "money power" is full of threatening. Both agree that some form and measure of strong government or state control will be a necessity of the future. They agree that these gathered forces have grown too powerful to be left unregulated in private hands. The farmer's feeling about this is no less justified because he cannot give rational account of it. The banker and lawyer could state more cogently what they meant by the "money power," yet, if there were any truth in their opinions, it is not at bottom truer than the feeling of the populist.

As with general opinion, as with the opinion of the trade union, so the feeling of discontent in this farmers' movement is one against monopoly privilege. It is being found out what the heart of this privilege is. It inheres in certain forms of property ownership. It is the holding in such unrestricted private possession the very conditions and instruments of wealth production.

To gain mastery over the very titbits of the earth, in harbors, cities, highways, and mines, and then to

own *enough* of the great machinery of transportation and production to decide the conditions under which others shall do their work — this is the power against which a dangerously large number of people is crying out. They do not see how power, in this degree and kind, can continue to grow, without abandoning every hope of a society in which equal privilege shall at last reign among men.

The economic significance of the social question is this deepening purpose to break the hold upon monopoly privilege, as above defined. Rightly or wrongly it has come to be believed, by numbers great enough to become a social and political force, that the most vital landholdings and the great machinery are not now used for the greatest common good.

Yet the purely business elements are probably not first in this rising tide of disapproval. There is a growing conviction that private ownership may gather to itself such strength and mastery as to control politics and defeat the very beginnings of democratic government.

It has thus come to pass that the seeds of political abuse which capitalism itself planted are bearing fruit. Socialism and organized labor, imbued with the collectivist spirit, have learned their lesson. There is in future no divorcing of the greater labor disturbances from politics.