

CHAPTER VI.

Plutocracy.*

Third Fisherman: "Master, I marvel how the fishes live in the sea."

First Fisherman: "Why, as men do a land. The great ones eat up the little ones. I can compare our rich misers to nothing so fitly as to a whale, 'a plays and tumbles, driving the poor fry before him, and at last devours them all at a mouthful; such whales have I heard on o' the land, who never leave gaping till they have swallowed the whole parish, church, steeple, bells and all . . ."

Third Fisherman: "If the good King Simonides were of my mind, he would purge the land of these drones that rob the bee of her honey."—Shakespeare, "Pericles, Prince of Tyre."

Many years ago Mr. Carnegie, defending the system which we have been examining, expressed his view of the Golden Age of industry as follows:

"The millionaire will be a trustee for the poor, entrusted with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself."

We have sufficiently undermined the economic aspect of this frank statement, but it has also a political side. It is surely inconsistent with any genuine kind of democracy, and it means plutocracy and nothing else. The absolute power of concentrated wealth is already showing itself on every hand. Even in its best forms it is objectionable. I question the advisability of allowing a single man to judge where libraries shall be placed, and where not. But the same power shows itself in many other fields besides that of charity. In in-

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dustry it is supreme. Each trust governs its own field. It refuses to sell to those who buy from its rivals. It crushes out its rivals by cooping them up in a restricted area by railway freight discriminations, and by then selling below cost in that area. It punishes relentlessly all exhibitions of independence, and before long its supremacy is conceded by all, for trusts based on monopoly are impregnable to competition, and they can limit production and extort artificial scarcity-prices at will. When a trust is formed, several of the plants composing it are usually discontinued. Full compensation is made to the owners of the resulting loss of income, but no attention is paid to the workmen, and sometimes hundreds of them are left in a small town to look out for themselves. If they have adopted the advice so often given by employers of saving their wages and buying a little home for themselves, their condition is much worse. It is the livelihood stolen from such men that goes into the "watered" stock of the trust. Such acts of oppression to communities are sometimes committed for other reasons besides consolidation. A cotton mill was recently pointed out to me in a Connecticut town. It had been running for about half a century and was the principal industry of the place, but it was suddenly closed and dismantled upon a few weeks' notice, and removed to a Southern State in which there is no statute to interfere with child labor. It was a most serious blow to the town, and I was told that a number of the shops on the chief streets had been forced to close in consequence. Debt, destitution, and economic disorder had followed a long period of prosperity. The facility with which communities can be thus injured has suggested to trust managers the possibility of punishing communities in the same way. When the mayor of McKeesport expressed his sympathy with the strikers in that city, the representatives of the Steel Trust did not hesitate to threaten the place with ruin by removing its mills, and I believe the work of removal was actually begun. Under our pluto-

cratic system capital has really become more mobile than labor, and plants can be closed or opened here and there, as the communities may seem to our industrial rulers to deserve them or not. A submissive town may receive a library or a college on the charitable side, and a rolling-mill on the industrial, as prizes for good conduct. Before long the same principle may be applied to railways and telegraphs, and a city may be put into a state of siege because it dares to question the divine right of monopoly. Surely we are confronted here with acts of sovereignty—acts indeed which a Russian Tsar would hesitate to exercise.

Another form of industrial absolutism is the power to fix prices. To make us pay 30 dollars a ton for steel which the same people sell abroad, and we may be sure at a good profit, for twenty dollars, is nothing less than the sovereign right of exacting tribute, and so it is with charging a dollar for half-dollar gas. Our ancestors made a good deal of commotion over ship-money and tea-taxes, but these exactions were trivial compared to the imposts levied on free America by the monopolists. It would be interesting to know what Benjamin Franklin or Samuel Adams would say if they were forced in our day to give five cents for a three-cent ride on a street-car, and made to hang on a strap when they had paid for a seat. I am inclined to think that their language and actions would again be unparliamentary. For industrial oppression is a more vital thing than political oppression, and quite as good a justification for revolt. After dethroning kings and abolishing aristocracy, are we to submit to the dictates of oil-pumpers and pork-packers? The question answers itself. In one way or another we shall rid ourselves of this undemocratic incubus, the offspring of our own folly in permitting the growth of monopoly. The secret of the success of our present rulers consists in excluding the great public from the natural sources of wealth—the mines, the forests, the valuable sites, the franchises of the highways for pipe and wire and rail, the ac-

cess to cities and ports, and the right to carry wealth where we please; for this is monopoly—at best the deprivation of others of their equal rights in the gifts of nature,—at worst the fruit of bribery, of the prostitution of law, of dishonest finance, perjured statements, gambling, cynical indifference to suffering, and the subordination of all other passions to vulgar avarice. Whatever may be the conscious motives of the men engaged in advancing this system, it is in practice a huge conspiracy to enslave the people by monopolizing the necessaries of life.

But if it is contended that industrial power and political power are quite different things, and that while it is admissible to rise against political tyrants, the same rule does not apply to the industrial world, even then, accepting this illogical position, we may still show that our plutocracy is a power almost as absolute in the political field as in the industrial. Its industrial existence depends upon legislation—the tariff, the railway, land, patent and other laws—and hence it needs political power and has not scrupled to obtain and wield it, making and breaking laws with equal complacency if its interests seem to require it. When the tariff schedules are being arranged at Washington the Ways and Means Committee room becomes the focus of national corruption. In the same way the State legislatures are held in the hollow of the hand of the trusts. It is often a matter of common knowledge which railway governs a State—The New York, New Haven and Hartford Railroad, for instance in Connecticut and Rhode Island, and the Pennsylvania Railway in New Jersey—and when the president of the Senate recognizes a member as the “Senator from New York” or the “Senator from Ohio,” he might more truthfully say the “Senator from the New York Central Railroad” or the “Senator from the Standard Oil Trust.” With the preponderating power in legislation, the plutocracy has also great influence with the courts. It is natural that the richest combinations should employ the best lawyers, and

that in time the best lawyers should be placed upon the bench, and it is thus pretty certain that a judge will sympathize with the money power. This sympathy is not always Platonic, but even when it is, it is dangerous to democracy. In the hands of these judges the injunction has become a class weapon used in labor disputes for the benefit of the employers. A lawsuit is a controversy between individuals, and an injunction is a mere incident in a lawsuit, and yet it has become a method of governing entire communities and preventing citizens from assembling peaceably in their own halls to discuss their own affairs. This is a legislative and not a judicial act, and if judges ought to have such power it should be given to them explicitly by the legislature, but it has never been so given. They have gradually usurped it in the interest of the employing class. An injunction does not, as is often erroneously stated, interfere before an act is committed, but it provides a speedy punishment after it has been committed, with a summary trial before the judge alone who granted the order, and who is thus really a party in interest. The contempt is tried upon affidavits; the accused has no right to cross-examine, or even to be confronted with the witnesses; a jury is refused to him, and the consequent imprisonment lasts invariably until the particular trouble between capital and labor is over. The result is that an injunction usually terrifies a whole class of men into obedience. It is effective; it combines absolute legislative and executive powers with those of the judiciary; it is autocratic; and it has become one of the props of the plutocracy. The phrase "government by injunction" is no misnomer. In some of our States, in West Virginia particularly, the governor and legislators must feel small indeed when a Federal judge comes in sight and sets up his court in their capital. He comes as a satrap, not to settle disputes, but to govern, and incidentally to lecture the working population upon their duties. It is surprising that the people have submitted so long to this abuse.

But it is not enough to control legislatures and courts. The powers of these institutions rest in the last instance upon the military arm, and plutocracy must command this too. The act reorganizing the militia, passed by Congress in 1903, although it was somewhat improved after it left the hands of its promoters, is a measure of centralization, designed to give the President power to order any part of the militia to any part of the country, to place any officer he pleases in command, and to pay the expenses of his campaign without asking the people for funds. This act becomes ominous when at the time of its passage we hear of the distribution of muskets to the State troops—arms of an improved pattern and especially adapted to use against mobs in cities. In harmony with the same policy is the great increase in the number of militia armories in our towns, specially built so that they may be defended, and the growing disposition to establish garrisons of the regular army near the great centers of population.

And the many defects of our government, its lack of loyalty to the people and its corruption, are rooted in the plutocracy that uses it for its purposes. Every now and then a great and honest effort is made to purify some branch of our government, that of the municipality of New York for instance; but the reformers fail to see that it is the ethical foundation of society itself that must be overhauled. The trouble is dishonesty, and this dishonesty pervades the whole social fabric. It shows itself frankly and indecently in Tammany Hall, but it is probably for that reason less dangerous there than on Wall Street or Fifth Avenue. The fundamental dishonesty is the living upon other people's labor; and society is diseased because almost all its members either live in that way, or are doing their best to acquire the privilege. The successful man in well-nigh all circles is the man who gets money without earning it, and this successful man is the ideal of Good Government Clubs and Young Men's Christian Associa-

tions even more than of Tammany Hall. The "lower classes" are no more dishonest than the rich; they are simply less hypocritical. If their representatives take bribes more openly, they know instinctively that much that passes by the name of rent, interest and profit is just as corrupt, and that a reform party convention is likely to be as unanimously dishonest as a Tammany district committee.

We talk of curing municipal corruption by the introduction of "business" methods, but it is business itself which produces the evil. We might as well expect to cure cancer by an application of the bad blood that caused it. It is the business man, the Wall Street man, with his relentless instinct of grabbing all that he can get and striving in this way to secure an assured position on the shoulders of others, who sets the pace for Tammany Hall. And indeed the connection is much more direct than this. It is really such business corporations as the street-railway companies that control our municipal governments; and this takes us back to the fashionable clubs and churches frequented by those who own and direct these companies, and to the universities where their sons are educated and which are engaged in a scramble after their accumulations. It is the unjust distribution of wealth which produces the poverty and the riches that are favorable to vice, and at the same time renders possible the amassing of vast sums in a few hands, the prolific source of municipal bribery and corruption. We can never successfully and permanently cure the evils of our political life until we endeavor honestly and earnestly to assure to every citizen his own earnings. Honesty cannot stand on a narrower basis.

Dominating the world of industry and politics, the American plutocracy is asserting itself no less definitely in the social world, and is thus becoming a true aristocracy, for aristocracies have always ruled all three. Hitherto there has been no true aristocracy in the United States except that of the slaveholding oligarchy of the South. For a

long period of time they held the political power, not only of their own States but of the nation. They owned the rural land, and in an agricultural community, depending upon its corn, tobacco and cotton for its wealth, this gave them the local monopoly of industry; and finally, no one ever ventured to question their social superiority in their own region. For the most part aristocratic pretensions based upon political power, wealth or social prominence have been divided in America, and hence a true aristocracy could not spring up, for the public openly questioned and resisted these fragmentary claims to superiority. New families obtained wealth and old families lost theirs, and men prominent in politics or in other fields might have a high social position without money. It has been this lack of a definite rule by means of which to ascertain who the real aristocrats were, which has made democracy in social matters approximately possible in America. In the absence of a centralized hierarchy the individual was able to claim social standing upon his own merits with some hope of success.

So much for the America of the past. But today it is changing under our eyes, and we are beholding the founding of a new aristocracy with all the hall-marks of the genuine article. The multi-millionaires of the country already control the industrial situation, and they are supreme too in political affairs. Our Senate is a plutocratic club, which has succeeded in completely overshadowing the more popular branch of Congress. The words, "a syndicated presidency," have been spoken, and truthfully spoken, by conservative lips, and no single occupant of the White House can long stand up against the drift of events. But hitherto the great plutocrats have cared little for social prestige. Power, money, luxury were enough for them, and they did not think of founding a system of caste. The older members of the guild still persist in being unfashionable and in attending unfashionable churches. But fate (in which general term must be included their wives

and daughters) has been too strong for them, and almost imperceptibly the new caste is in process of formation. A young man who should now have the misfortune of coming into a fortune of fifty millions of dollars would be unable to keep out of the vortex. No matter how simple his tastes, the leaders of society would swoop down upon him, and he would be forced, *nolens-volens*, to set up a steam yacht and a private car; he would have to buy a house near the Plaza and entertain like a prince. His duties are as clearly marked out as those of a royal duke, and to shirk them would be as deplorable a crime as Dante's *gran rifiuto*.

Wall street is the true plutocratic capital, and the new aristocracy is naturally taking shape in the city of New York. Like all truly vital processes, this growth is but the evolution of a previous organism—namely, the old local society of the Empire City. The Knickerbocker quasi-aristocracy of half a century ago has adapted itself to its new environment, and Wall street has triumphed over Fifth avenue. Wall street, be it remembered, is no local thoroughfare; it is a national institution. And so Fifth avenue has become a national institution, where the multi-millionaires of Oshkosh and Kalamazoo have begun to crowd out the more or less authentic escutcheons of New Amsterdam. Father Knickerbocker with a golden spoon is taking the cream off the millions of the whole country. I was walking uptown a few months ago with a Wall street financier.

"Do you see that house?" he said. "It's just been bought by Mr. Blank. Did you ever hear the name?"

I admitted my ignorance.

"Well," he continued, "I never heard of him either till last week. He's from Podunk, and he's worth twenty millions."

Then he pointed out another house, recently bought by another unknown visitor who was rated at thirty millions.

"I'm hearing of new men worth twenty and

thirty millions every week," he said, "and I don't know where it will all end."

A Western man who buys a house on the avenue is pretty likely to have social ambitions, even if he only holds them in the name of his wife, and if Ward McAllister, the Beau Brummell of the seventies, could come back to earth he would hardly recognize his "four hundred." That excessively light brigade has been undergoing a serious transformation under the pressure of gold. Its standard of wealth has been raised at least tenfold in the past twenty-five years, and perhaps more. A young bachelor with a million dollars of his own is to-day considered fairly well off, but he can hardly be looked upon as a marrying man. For a match-making mother to give her daughter to him would be to condemn her to comparative penury when the day of the billionaire arrives. It is generally admitted by the best authorities that a couple can marry safely on five millions, but there is no telling how long the quotations may remain at that figure. Ambitious men with a fortune of that size ought to marry at once while the market is favorable. A man with ten millions is still rich. Whether "very rich" begins at the thirty or fifty million point is a mooted question which I shall not presume to answer. No one with less than a million dollars, married or single, can hope to maintain a footing for long in the charmed circle, unless he or she has some especial talent for entertaining. Traces of the old local society still remain, sufficient to remind one of the time when the test of admission was that the dowagers knew the applicant's father or grandfather. Occasionally some member of the new society who was brought up in the old gives a ball to which both circles are invited, and the new plutocratic aristocracy is forced to rub up against plain people who openly admit that they cannot afford to keep a steam yacht. All the honors of this trying situation rest with the newcomers, and Wall street has definitely won the day. If we ask, Where are the old Knickerbockers? echo answers "Ichabod,"

their glory has departed. And thus from the old local, provincial society of New York which recognized the society of Boston or Philadelphia or Baltimore as its equal, has risen up a national aristocracy based upon the watered stock of enormous financial combinations. We could afford to laugh at the antics of the "four hundred" so long as they represented nothing but their own imaginations, but now that they are beginning to represent the same political and industrial monopoly which marked former aristocracies, and that their pretensions are rooted in fact and not in fancy, we are obliged to take them seriously. It may be asserted in criticism of this simple historical record, that we see a similar society at Washington. Such objectors forget that Washington is a mere winter suburb of New York, just as Newport is its summer suburb; and that if you dig in Pennsylvania avenue you will find Wall street under it.

A state of society in which one particular caste rises to the surface, involves the stratification of all the inferior groups. If wealth is the measure of fitness for the highest rank, wealth is likely to be the test also for the lower grades, although intimacy with the upper class, and consequently residence in New York and under the shadow of the court circle, will doubtless have its influence. As the new state of affairs becomes more settled, some ceremonial similar to presentation at Court may have to be invented as a mark of definitive acceptance into the inner circle. As it seems likely that we shall continue to keep up the forms of republican institutions, and any dynasty which may establish itself will probably seek the seclusion which the counting-house grants, it may be wise to depute this ceremony to the British Crown, which will doubtless be glad to perform it for the usual fees. And here we may note that New York's geographical advantages are not confined to its waterways, but as the jumping-off place for the Court of St. James it can well treat with contempt any hopes of future rivalry which Chicago may entertain. Our own *fac-simile* of Park Lane is all

very well in its way, but it is proximity to the real Park Lane which counts for most in the end.

Is there any danger to the national character in the establishment of such a social hierarchy as we have outlined? To answer this question we must bear in mind the true social ideal, and determine whether we are advancing toward it or receding from it, for morality is rather a question of direction than of absolute standards, and we can cheerfully accept a comparatively low state of society if it is headed in the right way. Society means the grouping of men and women, and clearly this grouping should be according to their wants and characters and not according to such an extrinsic matter as wealth. The ideal society would be one in which each individual was free to develop his own character and to seek out those who are congenial to him. Equality of opportunity would be the motto of such a world, and anything which tended to divide people into castes or to make their classification depend on extraneous things, or which interfered in any way with perfect social freedom, would be injurious. Some critics argue that such social equality would produce a dead level of monotony, when as a matter of fact it would produce just the opposite effect, giving each individual an opportunity to be as different as possible from the rest. In such a free field the only true aristocracy would develop itself, that of pre-eminence in character or ability of any and all kinds. In such a society there would be no "village Hampdens" or "mute, inglorious Miltons" for each member of the community would have access to the environment which his talents and character deserved. And he would not only have this advantage, but he would have a vastly wider field in which to search for congenial friends; and the fruitage of genius, which is a benefit to all mankind, would be enormously increased. No such society has ever existed, and it is quite possible that it never will exist, but we must measure our position by our distance from it.

And now it is evident that a society based on

the concentration of wealth marks a departure from this standard. Our American society hitherto has been more or less fluid, and we have partly realized Napoleon's ideal of the "career open to all the talents." The stratification of society on a scale of wealth with fixed and rigid classes separated from each other by almost impassable barriers is a menace to the free development of the individual and to the existence of a natural and spontaneous society. Of all grounds of distinction wealth is the most material and sordid, and by applying the single gold standard to men and women, we attract into the field of money-making the most ambitious and virile of our youth. Literature, science, art, will of necessity be left to the weaklings and failures, and their professors will be chained to the car of Mammon. Imitation will take the place of originality and vulgarity supplant self-respect. Supercilious conceit will reign on one hand and servility on the other, and the worst of it all is that society will be founded upon a lie—upon the theory of an inherent difference between classes which does not exist. Beneath all the superficial smoothness and elegance of such a society will smoulder the envies, jealousies and heart-burnings which a system of caste always engenders; ready, too, to burst forth in the shape of red-handed outrage, for it is easier for Americans to bear political oppression and economic injustice than the false assumption of social superiority. It seems, indeed, less likely that the people will submit to social arrogance than to the other forms of plutocratic usurpation; at least it would seem so if the American people are to retain their old-time self-respect and sense of independence. And yet the manner in which they follow the vapid doings of the new society in their journals, the awe which they exhibit in the presence of foreign princelings, the way in which such conspicuous badges of rank as gorgeous private cars on our railways are accepted as a matter of course,—straws such as these may perhaps indicate a gradual change in the national character. It is

the curse of caste that it elevates, or seems to elevate, one portion of society at the expense of the rest. You cannot have masters without slaves. England may boast of the culture of its peerage, but it involves the boast that she has the best servants in the world, which being translated means that Englishmen make the best menials. It is to be hoped that this unique title to fame may never be won by America.

Can lovers of their country look with indifference upon the appearance within it of a new ruling caste, predominant in industry, politics and society? Is it not high time to take thought for the safety of the republic? Is not such a ruling caste a public danger? I have been taken to task for asserting that in this caste are to be found the "dangerous classes" of society, rather than in Tammany Hall or in our prisons and jails; but surely if the aristocracy of the time of Louis XV formed the dangerous class of France, our new aristocracy stands in the same relation to the commonwealth, and if a revolution is to be averted we must profit by the lessons of French history. If I were a detective and were asked by my chief to apprehend the ringleaders of the dangerous classes in America, I would not go to the "Tenderloin" district of New York; I would not go to the Bowery or the East Side; I would not go to the State Prison or to the Tombs. I would direct my steps to the hall of the Chamber of Commerce or to the offices of the trusts, for in them lies the real danger. The dangerous class in a republic is the class dangerous to the republic. Ordinary criminals are not particularly dangerous. Their acts shock everybody and actually have the effect of a sermon in making others better, just as the sight of a round-shouldered man has a tendency to make you hold yourself erect. The acts which are dangerous to society are those which are harmful, and which, notwithstanding, the great mass of people applaud; and the usurpations of the plutocracy, baleful as they are, are applauded. The history of the Anglo-Saxon race has been the history of suc-

cessful resistance to absolute authority marked by a series of legislative acts, bills of rights, and formal declarations, from Magna Charta to the Fifteenth Amendment to our Constitution. Are we now to turn about and advance in the other direction? Are we to set our faces towards slavery, after centuries spent in seeking freedom? There are some who argue that all that we need is prosperity, and that multi-millionaires are the harbingers of prosperity. We have seen that this is false; but even if it were true, it might be well to question the value of prosperity at such a price. The kind of prosperity that trickles out of a monopolist's strong-box is not adapted to the needs of freemen, and a dollar a day with self-respect is worth five dollars with bondage. That is the true Anglo-Saxon spirit. The legal right of our plutocracy may be perfect. So were the legal rights of Charles I and George III; but a time comes when unjust laws must be repealed, or else they bend and break, and that time is not far distant in America.

I have confined my argument to this country, but it is really the story of the civilized world. Plutocracy is the power behind the throne in Europe, and her strongest dynasty is that of Rothschild. Anti-Semitism is a sign of the popular appreciation of the facts, the sense of wrong being misdirected against the Jews instead of the monopolists; and we would doubtless have Anti-Semitism in America if it were not that the Yankees have proved to be more skilful financiers than the Israelites, a fact for which the latter should be thankful. If Mr. Rockefeller, Mr. Carnegie and Mr. Morgan were Jews, the lot of the chosen people in the United States would not be an enviable one. Industrialism is elbowing the old nobility in all European countries, and the aristocracy often complains of the tendency of their rulers, King Edward or Emperor William, to prefer the society of captains of industry to their own. But these monarchs are really acting in accordance with the instincts of self-preservation

in paying homage to the real source of their power. It remains true, however, that it is easier to study the facts of the change which is passing over society in America than anywhere else, for there the forces are least impeded and the phenomena lie nearest to the surface—unless, indeed, we make an exception of South Africa, where the shamelessness of aggregated wealth and its baneful effect upon character seem to be even more accentuated.