

CHAPTER V.

THE MARCH OF CONCENTRATION.

IN 1790, at the time of the first census of the United States, the cities contained but 3.3 per cent. of the whole population. In 1880 the cities contained 22.5 per cent. of the population. This tendency of population to concentrate is one of the marked features of our time. All over the civilized world the great cities are growing even faster than the growth of population. The increase in the population of England and Scotland during the present century has been in the cities. In France, where population is nearly stationary, the large cities are year by year becoming larger. In Ireland, where population is steadily declining, Dublin and Belfast are steadily growing.

The same great agencies—steam and machinery—that are thus massing population in cities are operating even more powerfully to concentrate industry and trade. This is to be seen wherever the new forces have had play, and in every branch of industry, from such primary ones as agriculture, stock-raising, mining and fishing, up to those created by recent invention, such as railroading, telegraphing, or the lighting by gas or electricity.

It has been stated on the authority of the United States Census Bureau that the average size of farms is decreasing in the United States. This statement is inconsistent not only with facts obvious all over the United States, and

with the tendencies of agriculture in other countries, such as Great Britain, but it is inconsistent with the returns furnished by the Census Bureau itself. According to the "Compendium of the Tenth Census," the increase of the number of farms in the United States during the decade between 1870 and 1880 was about 50 per cent., and the returns in the eight classes of farms enumerated show a steady diminution in the smaller-sized farms and a steady increase in the larger. In the class under three acres, the decrease during the decade was about 37 per cent.; between three and ten acres, about 21 per cent.; between ten and twenty acres, about 14 per cent.; between twenty and fifty acres, something less than 8 per cent. With the class between 50 and 100 acres, the increase begins, amounting in this class to about 37 per cent. In the next class, between 100 and 500 acres, the increase is nearly 200 per cent. In the class between 500 and 1000 acres, it is nearly 400 per cent. In the class over 1000 acres, the largest given, it amounts to almost 700 per cent.

How, in the face of these figures, the Census Bureau can report a decline in the average size of farms in the United States from 153 acres in 1870 to 134 acres in 1880 I cannot understand. Nor is it worth while here to inquire.* The incontestable fact is that, like everything else, the ownership of land is concentrating, and farming is assuming a larger scale. This is due to the improvements in agricultural machinery, which make farming a business requiring more capital, to the enhanced value of land, to the changes produced by railroads, and the advantage which special rates give the large over the small producer. That it is an accelerating tendency there is no question. The new era in farming is only beginning. And whatever be its gains, it involves the reduction

* For a further examination of the Census Report as to the average size of farms, see Appendix I.

of the great body of American farmers to the ranks of tenants or laborers. There are no means of discovering the increase of tenant farming in the United States during the last decade, as no returns as to tenantry were made prior to the last census; but that shows that there were in the United States in 1880 no less than 1,024,601 tenant farmers. If, in addition to this, we could get at the number of farmers nominally owning their own land, but who are in reality paying rent in the shape of interest on mortgages, the result would be astounding.

How in all other branches of industry the same process is going on, it is scarcely necessary to speak. It is everywhere obvious that the independent mechanic is becoming an operative, the little storekeeper a salesman in a big store, the small merchant a clerk or bookkeeper, and that men, under the old system independent, are being massed in the employ of great firms and corporations. But the effect of this is scarcely realized. A large class of people, including many professed public teachers, are constantly talking as though energy, industry and economy were alone necessary to business success—are constantly pointing to the fact that men who began with nothing are now rich, as proof that any one can begin with nothing and get rich.

That most of our rich men did begin with nothing is true. But that the same success could be as easily won now is not true. Times of change always afford opportunities for the rise of individuals, which disappear when social relations are again adjusted. We have been not only overrunning a new continent, but the introduction of steam and the application of machinery have brought about industrial changes such as the world never before saw.

When William the Conqueror parceled out England among his followers, a feudal aristocracy was created out

of an army of adventurers. But when society had hardened again, an hereditary nobility had formed into which no common man could hope to win his way, and the descendants of William's adventurers looked down upon men of their fathers' class as upon beings formed of inferior clay. So when a new country is rapidly settling, those who come while land is cheap and industry and trade are in process of organization have opportunities that those who start from the same plane when land has become valuable and society has formed cannot have.

The rich men of the first generation in a new country are always men who started with nothing, but the rich men of subsequent generations are generally those who inherited their start. In the United States, when we hear of a wealthy man, we naturally ask, "How did he make his money?" for the presumption, over the greater part of the country, is that he acquired it himself. In England they do not ordinarily ask that question—there the presumption is that he inherited it. But, though the soil of England was parceled out long ago, the great changes consequent upon the introduction of steam and machinery have there, as here, opened opportunities to rise from the ranks of labor to great wealth. Those opportunities are now closed or closing. When a railroad train is slowly moving off, a single step may put one on it. But in a few minutes those who have not taken that step may run themselves out of breath in the hopeless endeavor to overtake the train. It is absurd to think that it is easy to step aboard a train at full speed because those who got on board at starting did so easily. So is it absurd to think that opportunities open when steam and machinery were beginning their concentrating work will remain open.

An English friend, a wealthy retired Manchester manufacturer, once told me the story of his life. How he went to work at eight years of age helping make twine, when

twine was made entirely by hand. How, when a young man, he walked to Manchester, and having got credit for a bale of flax, made it into twine and sold it. How, building up a little trade, he got others to work for him. How, when machinery began to be invented and steam was introduced, he took advantage of them, until he had a big factory and made a fortune, when he withdrew to spend the rest of his days at ease, leaving his business to his son.

"Supposing you were a young man now," said I, "could you walk into Manchester and do that again?"

"No," replied he; "no one could. I couldn't with fifty thousand pounds in place of my five shillings."

So in every branch of business in which the new agencies have begun to reach anything like development. Leland Stanford drove an ox-team to California; Henry Villard came here from Germany a poor boy, became a newspaper reporter, and rode a mule from Kansas City to Denver when the plains were swarming with Indians—a thing no one with a bank-account would do. Stanford and his associates got hold of the Central Pacific enterprise, with its government endowments, and are now masters of something like twelve thousand miles of rail, millions of acres of land, steamship lines, express companies, banks and newspapers, to say nothing of legislatures, congressmen, judges, etc. So Henry Villard, by a series of fortunate accidents, which he had energy and tact to improve, got hold of the Oregon Steam Navigation combination, and of the Northern Pacific endowment, and has become the railroad king of the immense domain north of the Stanford dominions, having likewise his thousands of miles of road, millions of acres of land, his newspapers, political servitors, and literary brushers off of flies, and being able to bring over a shipload of lords and barons to see him drive a golden spike.

Now, it is not merely that such opportunities as these which have made the Stanfords and Villards so great, come only with the opening of new countries and the development of new industrial agents; but that the rise of the Stanfords and Villards makes impossible the rise of others such as they. Whoever now starts a railroad within the domains of either must become subordinate and tributary to them. The great railroad king alone can fight the great railroad king, and control of the railroad system not only gives the railroad kings control of branch roads, of express companies, stage lines, steamship lines, etc., not only enables them to make or unmake the smaller towns, but it enables them to "size the pile" of any one who develops a business requiring transportation, and to transfer to their own pockets any surplus beyond what, after careful consideration, they think he ought to make. The rise of these great powers is like the growth of a great tree, which draws the moisture from the surrounding soil, and stunts all other vegetation by its shade.

So, too, does concentration operate in all businesses. The big mill crushes out the little mill. The big store undersells the little store till it gets rid of its competition. On the top of the building of the American News Company, on Chambers Street, New York, stands a newsboy carved in marble. It was in this way that the managing man of that great combination began. But what was at first the union of a few sellers of newspapers for mutual convenience has become such a powerful concern, that combination after combination, backed with capital and managed with skill, have gone down in the attempt to break or share its monopoly. The newsboy may look upon the statue that crowns the building as the young Englishman who goes to India to take a clerical position may look upon the statue of Lord Clive. It is a lesson and an incentive, to be sure: but just as Clive's victories, by

establishing the English dominion in India, made such a career as his impossible again, so does the success of such a concern as the American News Company make it impossible for men of small capital to establish another such business.

So may the printer look upon the *Tribune* building, or the newspaper writer upon that of the *Herald*. A Greeley or a Bennett could no longer hope to establish a first-class paper in New York, or to get control of one already established, unless he got a Jay Gould to back him. Even in our newest cities the day has gone by when a few printers and a few writers could combine and start a daily paper. To say nothing of the close corporation of the Associated Press, the newspaper has become an immense machine, requiring large capital, and for the most part it is written by literary operatives, who must write to suit the capitalist that controls it.

In the last generation a full-rigged Indiaman would be considered a very large vessel if she registered 500 tons. Now we are building coasting schooners of 1000 tons. It is not long since our first-class ocean steamers were of 1200 or 1500 tons. Now the crack steamers of the trans-Atlantic route are rising to 10,000 tons. Not merely are there relatively fewer captains, but the chances of modern captains are not as good. The captain of a great trans-Atlantic steamer recently told me that he got no more pay now than when as a young man he commanded a small sailing-ship. Nor is there now any "primage," any "venture," any chance of becoming owner as well as captain of one of these great steamers.

Under any condition of things short of a rigid system of hereditary caste, there will, of course, always be men who, by force of great abilities and happy accidents, win their way from poverty to wealth, and from low to high position; but the strong tendencies of the time are to make

this more and more difficult. Jay Gould is probably an abler man than the present Vanderbilt. Had they started even, Vanderbilt might now have been peddling mouse-traps or working for a paltry salary as some one's clerk, while Gould counted his scores of millions. But with all his money-making ability Gould cannot overcome the start given by the enormous acquisitions of the first Vanderbilt. And when the sons of the present great money-makers take their places, the chances of rivalry on the part of anybody else's sons will be much less.

All the tendencies of the present are not merely to the concentration, but to the perpetuation, of great fortunes. There are no crusades; the habits of the very rich are not to that mad extravagance that could dissipate such fortunes; high play has gone out of fashion, and the gambling of the Stock Exchange is more dangerous to short than to long purses. Stocks, bonds, mortgages, safe-deposit and trust companies aid the retention of large wealth, and all modern agencies enlarge the sphere of its successful employment.

On the other hand, the mere laborer is becoming more helpless, and small capitals find it more and more difficult to compete with larger capitals. The greater railroad companies are swallowing up the lesser railroad companies; one great telegraph company already controls the telegraph wires of the continent, and, to save the cost of buying up more patents, pays inventors not to invent. As in England, nearly all the public houses have passed into the hands of the great brewers, so here, large firms start young men, taking chattel mortgages on their stock. As in Great Britain, the supplying of railway passengers with eatables and drinkables has passed into the hands of a single great company, and in Paris one large restaurateur, with numerous branches, is taking the trade of the smaller ones, so here, the boys who sell papers and peanuts on the

trains are employees of companies, and bundles are carried and errands run by corporations.

I am not denying that this tendency is largely to subserve public convenience. I am merely pointing out that it exists. A great change is going on all over the civilized world similar to that infeudation which, in Europe, during the rise of the feudal system, converted free proprietors into vassals, and brought all society into subordination to a hierarchy of wealth and privilege. Whether the new aristocracy is hereditary or not makes little difference. Chance alone may determine who will get the few prizes of a lottery. But it is not the less certain that the vast majority of all who take part in it must draw blanks. The forces of the new era have not yet had time to make status hereditary, but we may clearly see that when the industrial organization compels a thousand workmen to take service under one master, the proportion of masters to men will be but as one to a thousand, though the one may come from the ranks of the thousand. "Master"! We don't like the word. It is not American! But what is the use of objecting to the word when we have the thing? The man who gives me employment, which I must have or suffer, that man is my master, let me call him what I will.