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## CHAPTER III

### OUR MAGNATES

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

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### I

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

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

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Mr. Russell Sage, Mr. S. C. T. Dodd, Mr. John D. Rockefeller, Jr., the Hon. Marcus A. Hanna, and Mr. Charles R. Flint.

A flattering unction that all lay to their souls is the dictum that success in business is a matter of honesty, intelligence, and energy. "There is no line of business," writes Mr. Carnegie, "in which success is not attainable. It is a simple matter of honest work, ability, and concentration." "To rail against the accumulation of wealth," writes Mr. Sage, in the *Independent*, "is to rail against the decrees of justice. Intelligence, industry, honesty, and thrift produce wealth. . . . So long as some men have more sense and more self-control than others, just so long will such men be wealthy, while others will be poor." Mr. Dodd, in his address to the students of Syracuse University, adds this contribution: "Why is there still so much poverty? One reason is because nature or the devil has made some men weak and imbecile and others lazy and worthless, and neither man nor God can do much for one who will do nothing for himself." Mr. Rockefeller appeals both to evolution and to divine sanction. "The growth of a large business," he is reported as declaring in one of his Sunday-school addresses, "is merely a survival of the fittest. . . . The American Beauty rose can be produced in the splendor and fragrance which bring cheer to its beholder only by sacrificing the early buds which grow up around it. This is not an évil tendency in business. It is merely the working out of a law of nature and a law of God."<sup>1</sup>

It matters not that many millions of men, tirelessly

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

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

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

warbles Mr. Flint in his article on "Combinations and Critics," in "The Trust: Its Book." Toil is the foundation of wealth, they all aver, though the rhapsodical nature of the tributes prevents a clear and definite utterance on the question, Of *whose* wealth is it the foundation? But there is no lack of definiteness regarding their attitude toward those defensive societies, the trade-unions, which the toilers organize to secure a larger part of their product to themselves. Mr. Flint, indeed, somewhat cautiously acknowl-

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

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

Moral suasion, however, is not the only method suggested for bringing sense to the workers. A hint of more forcible means is occasionally broached. A New York newspaper, which makes a boast of printing unimpeachable interviews, reports, in its issue of July 31st last, a significant warning from the president of the New York, Ontario and Western Rail-

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

## II

The new seigniorial attitude toward government and public policy is also significant. Often it is paternalistic in a princely degree. The offer of a retired magnate to settle a great national problem by paying to the Government the \$20,000,000 demanded

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

Usually, however, the seigniorial attitude toward government is somewhat more in the direction of intervention. The seasonal migration to Washington of representatives of all the great commercial interests has become a salient datum in political zoölogy. Curiosity regarding a proposed parcels post or government telegraph alone draws hundreds of these birds of passage there. The rights of private initiative must be maintained at any cost. In the great West one of the prime necessities for a living is the access to water for irrigation purposes. One may have land; but, if he has not water to irrigate it, the soil is worthless. The prevailing sentiment is for public ownership of waterways; since, in many places, monopoly controls the supply. At the electrical con-

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vention held at San Francisco recently, the presiding officer, who is also the president of a public-service corporation, after denouncing organized labor and municipal ownership, added: "For us a far more dangerous agitation is that which now proposes State appropriation of all water rights. The scheme advocated makes the appropriation little less than sheer confiscation." Luckily the seventy-one mile envelope of air that encases the globe yet eludes monopolization.

"Hands off!" is the warning to government; and though occasionally government puts hands on, they are not very closely or tenaciously applied. The report of the Interstate Commerce Commission (1901), for instance, employs a rather pessimistic tone regarding government control of traffic rates. "We simply call attention to the fact," it recites, "that the decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now, as they did before those decisions, and with the same general effect." "Should the Supreme Court declare the Northern railways consolidation unconstitutional," one of the interested magnates is reported as saying, "we shall simply do the thing in another way. It is something that must be done." Cynically frank is Mr. Dodd, in his Syracuse address, regarding the Anti-trust law. "A modern Federal law also exists," he says, "which, literally interpreted, forbids business of any magnitude; but Federal judges have thus far found it easier to dis-



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miss proceedings under it than to guess at its real meaning." The president of the Southern Pacific Railroad takes the bull by the horns, and denounces all interference. In an interview given to the press June 2d of the present year, he declares that "the legislation of the future must be pro-railroad instead of anti-railroad. . . . I believe commissions are things of the past. I do not think transportation companies should have to submit to dictation or control by bodies who do not know anything about transportation."

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

[Not only do the magnates demand immunity from government interference in their business affairs, but they demand also a more real, if not a more obvious, share in the operations of government.] The invasion, during the last ten years, of the National Senate by a number of the magnates or their legates is a part of the process; but something more to the point is their insistence on the right to be consulted

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

Something of the same nature was revealed in the negotiations last March between the Mayor of New York City and the directors of the New York Central Railroad Company. The company requested the Mayor to secure the withdrawal of the Wainwright bill in the State Assembly, compelling the railroad

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to abandon steam in the Park Avenue tunnel by a fixed date, and promised to do the required thing in its own time and at its own pleasure. The letter of the Mayor to Assemblyman Bedell records the result: "This letter [of the directors] seems to me to lay a good foundation for the waiving a fixed date to be named in the bill;" and the date was accordingly "waived."

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

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Court judge, that a too vigilant policeman came to learn his severest lesson — that to know whom not to trouble is the better part of valor.

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

Laws are like cobwebs, said Anacharsis the Scyth-

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

### III

Most of the magnates show a frugal and a discriminating mind in their benefactions; but it is a prodigal mind indeed which governs the expenditures that make for social ostentation. It is probable that no aristocracy — not even that of profligate Rome under the later Cæsars — ever spent such enormous sums in display. Our aristocracy, avoiding the English standards relating to persons engaged in trade, welcomes the industrial magnate, and his vast wealth and love of ostentation have set the pace for lavish expenditure. Trade is the dominant phase of American life, — the divine process by which, according to current opinion, "the whole creation moves," — and, as it has achieved the conquest of most of our

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social institutions and of our political powers, that it should also dominate "society" is but a natural sequence. Flaunting and garish consumption becomes the basic canon in fashionable affairs. As Mr. Thorstein Veblen, in his keen satire, "The Theory of the Leisure Class," puts it:—

"Conspicuous consumption of valuable goods is a means of reputability. . . . As wealth accumulates on his [the magnate's] hands, his own unaided effort will not avail sufficiently to put his opulence in evidence by this method. The aid of friends and competitors is therefore brought in by resorting to the giving of valuable presents and expensive feasts and entertainments. Presents and feasts had probably another origin than that of naïve ostentation, but they acquired their utility for the purpose very early, and they have retained that character to the present."

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

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Conspicuous eating becomes also a feature of seigniorial life. The "society" and the "yellow" journals are crowded with accounts of dinners and luncheons, following one after another with an almost incredible frequency. And not only is the frequency remarkable, but the range and quantity of the viands furnished almost challenge belief. So far, it is believed, the journals which usually deal in that sort of news have neglected to give an authoritative menu for a typical day in the life of a seigniorial family. We have dinner menus, luncheon menus, and so on, but nothing in the way of showing what is consumed by the individual or family during a term of twenty-four hours. Some light on the subject, however, is furnished by Mr. George W. E. Russell, the talented author of "Collections and Recollections," in his recent volume, "An Onlooker's Notebook." Objection may be made to the effect that Mr. Russell is an Englishman, and that he is describing an English royal couple. But the demurrer is irrelevant, since it is well known that our seigniorial class finds its practices and its canons (excepting only the canon regarding persons engaged in trade) upon English precedents, and that English precedents are made by the Royal Family. And not only does our home nobility imitate English models, but it piles Pelion upon Ossa, and seeks constantly to outshine and overdo the actions of its transatlantic cousins. Mrs. George Cornwallis-West (formerly Lady Randolph Churchill) recently stated that the vast sums spent by Americans in England have lifted the standard of living to a scale of magnificence almost unknown

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before. So for whatever is shown to be English custom, something must be added for American improvement and extension when assuming its transplantation to these shores. Mr. Russell writes:—

“A royal couple arranged to pay a two nights’ visit to a country house of which the owners were friends of mine. For reasons of expediency, we will call the visitors the duke and duchess, though that was not their precise rank. When a thousand preparations too elaborate to be described here had been made for the due entertainment of them and their suite and their servants, the private secretary wrote to the lady of the house, enclosing a written memorandum of his royal master’s and mistress’s requirements in the way of meals. I reproduce the substance of the memorandum — and in these matters my memory never plays tricks. The day began with cups of tea brought to the royal bedroom. While the duke was dressing, an egg beaten up in sherry was served to him, not once, but twice. The duke and duchess breakfasted together in their private sitting room, where the usual English breakfast was served to them. They had their luncheon with their hosts and the house party, and ate and drank like other people. Particular instructions were given that at 5 o’clock tea there must be something substantial in the way of eggs, sandwiches, or potted meat, and this meal the royal couple consumed with special gusto. Dinner was at 8.30, on the limited and abbreviated scale which the Prince of Wales introduced — two soups, two kinds of fish, two entrées, a joint, two sorts of game, a hot and cold sweet, and a savory,



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with the usual accessories in the way of oysters, cheese, ice, and dessert. This is pretty well for an abbreviated dinner. But let no one suppose that the royal couple went hungry to bed. When they retired, supper was served to them in their private sitting room, and a cold chicken and a bottle of claret were left in their bedroom, as a provision against emergencies."

All the men of great wealth are not men of leisure. Some of them work as hard as do common laborers. For such as these the tremendous gastronomy recounted by Mr. Russell would be impossible as a daily exercise. When, therefore, it is assumed of any of our seigniorial class, it must be limited to magnates on vacation, to their leisurely sons, nephews, hangers-on, and women, and to those who have retired from active pursuits. But there are other canons of social reputability besides personal leisure and personal wasteful consumption. These are, to quote again from Mr. Veblen, vicarious leisure and vicarious consumption — the leisure and lavishness of wives, sons, and daughters. It is these who, in large part, at New York, Lenox, and Newport, support the social reputation of their seigniorial husbands and fathers. The "dog parties," wherein the host "puts on a dog collar and barks for the delectation of his guests," the "vegetable parties," wherein host and guests, perhaps from some latent sense of inner likeness, make themselves up to represent cabbage heads and other garden products, the "monkey parties," the various "circuses" and like events, are given and participated in more generally by the vicarious upholders of the

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magnate's social reputation than by the seignior himself.

But in ways more immediate — by means which do not conflict with his daily vocation — the working magnate gives signal example of that virtue of capitalistic “abstinence” which is the foundation of orthodox political economy. The splendors of his town house, his country estate, and his steam yacht, to say nothing of his club, are repeatedly described to us in the columns of popular periodicals. His paintings, decorations, and bric-à-brac, his orchids and roses, his blooded animals and his \$10,000 Panhard, are depicted in terms which make one wonder how paltry and mean must have been the possessions of Midas and how bare the “wealth of Ormus and of Ind.” And when, for a time, he lays down the reins of power, and betakes himself to Saratoga or Newport or Monte Carlo, yet more wonderful accounts are given of his lavish expenditure. The betting at the Saratoga race-tracks last August is reported to have averaged \$2,000,000 a day. “The money does not come,” said that eminent maker of books, Mr. Joe Ullman, “from any great plunger or group of plungers, but from the great assemblage of rich men who are willing to bet from \$100 to \$1,000 on their choices in a race.” On the transatlantic steamers, in London and in Paris, the same prodigality is seen. A king's ransom — or what is more to the point, the ransom of a hundred families from a year's suffering — is lost or won in an hour's play or lightly expended for some momentary satisfaction.

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### IV

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

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

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property and enable him to collect his bills receivable. Finally, if these two expenditures did not sufficiently diminish his surplus, he could purchase newspapers and pay editors to educate the public in sound principles of social justice, as applied to taxation and to various other matters."

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