

CHAPTER II

THE ECONOMIC FOUNDATIONS OF DEMOCRACY

ONE need not accept the materialistic conception of history to find in the free public lands of America the greatest single influence in our life. Underneath the surface the great movements of democracy—political, social, industrial—have been moulded by the free land and the sense of freedom which it awakened in all. To this call every instinct of democracy has been attuned. This has been true from the very beginning.

It is economic liberty that has moulded our political institutions. It is the free public lands of the West that have made us free. It was this that inspired the Declaration of Independence, it was this that led to the separation of the colonies from England, it is this that has ever vitalized American democracy. We have been taught that the Revolution was a protest of Englishmen against an invasion of the rights secured by Magna Charta; that the interference of Parliament with the colonist aroused the Anglo-Saxon in his new home to a spirit of revolt. All these things were irritating, it is true, but the sense of security of the colonists was menaced in a far

graver way. According to a recent historian, it was a proclamation of George III that the "hinterland" to the west of the Alleghany Mountains should be closed to further settlement that aroused the colonies to resistance.¹ The settler had always looked upon the West as part of his possessions, secured to him by grants of the Crown and confirmed by his own sacrifice and suffering. Long before the French and Indian War he had come in conflict with the French over the region to the west of the mountains, and New England, as well as Virginia, had joined with the mother country to drive a traditional foe from the menacing position which it occupied in the rear. The American looked upon the continent as his own and, upon the close of the war with France, he expected to be confirmed in his original grants. Instead of this George III issued an order forbidding the colonists to purchase land from the Indians, or to make any settlements in the regions acquired from France. The British Board of Trade enforced this order. It refused its consent to petitions for land. By this order the colonist was limited to the seaboard, his dreams of economic independence were destroyed. And it was to preserve this opportunity to himself and his children that he took up arms against the mother country.

And just as this instinct for freedom and the desire for Western lands led to war with Great Britain, so

¹ *Foundations of Modern Europe*, Emil Reich, p. 9.

the fruits of the war later preserved the Union. The territory to the west of the Alleghanies became the property of the Colonies by conquest. The title was in dispute. The conflicting claims of the states were finally settled by the abandonment of the north-west territory to the Federal Government.¹ It became the property of the nation. The states that were born thereafter were children of the Union. They claimed no traditions of state sovereignty, they had no memories of independence. This great territory was a bond of nationality, which held the states together in the years which followed. It was an *ager publicus*, the folk-land of all the people. It cemented the nation. It gave the people a common interest and a common purse.

Just as the public lands formed the strongest bond of nationality in the years when the sense of union was forming, so the same public lands were the primary cause of the attempted dissolution of the Union. The expansion of the West threatened the institution of slavery. The new states carved out of the prairies disturbed the balance of power which had thereto-

¹“The territory embraced within the present states of Ohio, Indiana, Illinois, Michigan, Wisconsin, and Tennessee, that part of Minnesota lying east of the Mississippi River, and all of Alabama and Mississippi lying north of the thirty-first parallel was held by Massachusetts, Connecticut, New York, Virginia, North Carolina, South Carolina, and Georgia under grants from Great Britain during their colonial condition. These territorial interests were surrendered to the general government of the Union by the last named states . . . and constituted the nucleus of our public domain.” *The Public Domain*, Donaldson, p. 10.

fore existed. The dominion of the slave states in Congress was jeopardized. This was especially true in the Senate. There the commonwealths enjoyed equal representation. Even the most solemn sanctions of the Constitution could not prevent a conflict between the divergent economic systems of the North and the South. Thus it was that the public land united the nation at a time when it most needed cohesion, and at a later date threatened the dismemberment of that which it had so largely contributed to save.

The West is the real birthplace of American democracy. The seaboard states have ever been aristocratic in thought and interest. The frontier jealousy resented any interference from a distance. And the states carved out of the West have impressed their influence on politics, industry, education, and character. They came into the Union with full manhood suffrage. They exulted in their freedom, and their note has ever been one of protest, of independence, of liberty. The West has constantly drawn to itself the restless forces of discontent. Men crushed by competition it has called. Men eager for personal freedom it has invited. In this sense the West has been the escape-valve of America. The buoyancy of our character is traceable to the free democracy which was founded on a freehold inheritance of land.

Our politics have been quickened by this sense of economic liberty. The attitude of the West has been

that of the pathfinder. It is pioneer-like and feels that the present owes no obligations to the past. Education is highly cherished. The state universities are close to the people. The public has an affectionate regard for higher learning and utilizes its institutions in many ways for the promotion of local matters. Here, the girl looks forward to higher education just as does the boy, and both attend college together. In Colorado, Wyoming, Utah, and Idaho suffrage has been extended to women, while in North Dakota, South Dakota, Oregon, Oklahoma, Missouri, and Montana democracy has popularized all legislation through the initiative and referendum.

The free public lands have moulded industry no less than politics. Free land has determined the scale of wages as well as the opportunity for employment. No man will remain in another's employ for less wages than he can earn on his own homestead. And in all new countries the wages which prevail are determined by what can be produced on the land itself. During colonial days, the indented servant was found along the seaboard. But no indenture of personal servitude crossed the Alleghany Mountains. There can be no servitude, save that of chattel slavery, where free lands are to be had by the worker. The redemptioner and the tenant speedily became home-owners, for free land was always to be had just beyond the line of settlement. Here was independence, and the hope that was born

of independence. Here was freedom from the servitude of the master and the landlord. Here a new life, under new conditions, was open to all. It is this that explains the high standard of living that has prevailed in America. It is not due to the protective tariff, it is due to the fact that the wage-earner could adopt another alternative, and an alternative that left him a free man. It is this that has determined wages in America. It is this that explains the general well-being which prevails in all new countries.

“While free lands exist,” says Achille Loria, the celebrated Italian economist, “that can be cultivated by labor alone, and when a man without capital may, if he choose, establish himself upon an unoccupied area, capitalistic property is out of the question: as no laborer is disposed to work for a capitalist when he can labor on his own account upon land that costs him nothing. Evidently, therefore, while such conditions prevail, the laborers will simply take possession of the free lands and apply their labor to the soil, adding to this the capital they accumulate.”¹

This is what occurred in America. It was free land that raised the American wage-earner above the laborer of Europe. It was the amount produced upon the free land that determined wages. This controlled wages in all other industries. It was this that raised our workers to industrial efficiency. It was this hope that has made them resourceful. Up

¹ *Economic Foundations of Society*, p. 2.

to very recently the wage-earner always dreamed of a larger success. The free land of the West is also responsible for America's industrial eminence. It is the coal and the iron, the copper and the oil, the wheat, corn and cotton fields of the West and South that have given us supremacy. It is not protection, it is freedom of trade between our states and freedom of access to the resources of the earth that awakened industry. It was a free field open to all that developed our powers. It built our railroads, telegraphs, and telephones; it girded the earth with steamships and revolutionized all industry. It placed the wheat-fields of the Dakotas alongside of the mills and factories of old England. It built our cities; it gave diversity, strength, and independence to life and character.

The generation which closed with the century was one of intense competition and splendid achievement. It was a generation devoted to harnessing nature to the service of man. It brought forward the captains of industry. They were men familiar with every process from the bench to the counting-room. Human talent enjoyed an opportunity unparalleled in the history of the world. Democracy at work on the undeveloped resources of the country produced an array of men, masters of their craft and leaders in their respective communities.

There is no more conclusive demonstration of the economic basis of all life, of all progress, of all civil-

ization, in fact, than the history of the development of America. It was not political, it was economic liberty that made America what she is. It mattered not from what section of the earth men came or what their previous environment had been, those of force pushed their way to the fore and grew strong by contact with obstacles in a way that suggests the achievements of Drake and Hawkins, whose daring exploits opened the way for the expansion of England over distant seas. It was economic opportunity that made the American people what they are. It was our unparalleled resources that gave us a position of industrial supremacy. The leaders of the age came up from the sod and the mill. They did so, not because they were politically free, but because they were industrially free.

That which is true of America is true of the world. In the last analysis the institutions of a people are but the reflection of the economic foundations upon which they are laid. This is true of politics, of industry, of morals, of religion. A people's destiny is determined by its economic environment. And the relation of the people to the land is the controlling influence of all else. A nation of home-owners is essentially free, no matter what the political forms of the state may be. Such a people is bound to be democratic. All history bears witness to this fact. It is the difference in the method of land tenure that explains the political as well as the social institu-

tions of modern Europe. The countries of Switzerland, Holland, Denmark, France, and south Germany are countries in which widely distributed ownership prevails. On the other hand, Prussia, Great Britain, and Russia are still feudal to the core. It is the difference in the relation of these peoples to the land on which they dwell that explains the essential democracy of the former countries and the caste and aristocracy of the latter. The social position and political power of the ruling classes in the latter countries are due to their economic rather than to their political privileges. The privileged orders are weakest where the land is most widely distributed; they are strongest where the feudal system is least impaired. If a nation is reared upon land monopoly its political institutions will reflect monopoly. They are bound to be aristocratic. Those who own the land will own the government. And wherever the people are industrially free, wherever they own their own homes, political institutions will reflect that freedom.

With the enclosure of the land a change has come over the spirit of our life. Population is crowding in upon the cities. The energetic wage-earner, who formerly followed the western trail, is now entering the trades-union. Here he finds expression for the energy which formerly found an outlet in the West. It is this that explains the present industrial unrest. It is this that accounts for the political fer-

ment. No longer can the discontented improve his fortunes in another longitude. He must remain at home as a tenant or a wage-earner. The alternative of a homestead, which for three centuries relieved the pressure of the world, is now closed forever.

Such is the significance of the American West. Such are some of its contributions to our life. And this development of ours is not an isolated phenomenon. It is but a reflection of that which has gone before.

Thus it is, as Loria has said, that America offers a key to the enigma which Europe has sought for centuries in vain. Thus the land which has no history reveals the course of universal history. For just as the frontier offers a mirror in which the political, social, and industrial conditions of colonial times may be studied, so America offers a mirror of the evolution of the western world from the expansion of Rome down to date. So, too, the conditions which the countries of Europe now present, disclose to us the problems which we ourselves must presently face.