

the newspapers. . . . We were fought by the Socialists as bitterly as by the representatives of the two old parties and this for the very reason that we stand equally against government by a plutocracy and government by a mob. There is something to be said for government by a great aristocracy which has furnished leaders to the nation in peace and war for generations; even a democrat like myself must admit this. But there is absolutely nothing to be said for government by a plutocracy, for government by men very powerful in certain lines and gifted with the 'money touch,' but with ideals which in their essence are merely those of so many glorified pawnbrokers."

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In spite of all this concern about the course of events in America during the gilded age there appeared no social philosopher competent to survey the society from top to bottom, plot the trajectory of plutocratic ascendancy, or interpret the sweep of things in the large. Of course, the socialists were active in obscure corners offering the gospel of Karl Marx in pamphlets and brochures, but they produced no critique of the capitalist procession in America worthy of more than a passing glance. Disgruntled populists, deprived of planting leadership and finding no clergymen or college professors to write for farmers as they had once written for slave owners, did nothing but pepper Mæcenæ with bird shot.

Perhaps the first approach to a critical diagnosis that made a rift in American complacency was Henry George's *Progress and Poverty*, published in 1879, a trenchant volume drawing the deadly parallel of riches and misery, sun and shadow; proposing to apply to the complexities of the capitalist order a physiocratic doctrine of the eighteenth century in the form of a single tax designed to absorb unearned increment in land values and strike at the root of gross inequalities of wealth. By his livid description of the

carking desolation spread under the high noon of American prosperity and the assurance he displayed in prescribing a remedy, George sounded a new note in American criticism. Within a decade, he became famous at home and across the seas; radicals and trade unionists in New York tried to elect him mayor; owners of factories patronized him—he offered no disturbance to their economic operations. In England and Ireland he was hailed as a conquering hero, and, owing to the acuteness of their land problem, made a profound impression on current economic opinion. Through countless channels, George's ideas filtered out into varied types of American thought, helping to make the country at least dimly aware of the social question; but the single-tax creed bore little fruit in legislation and gave no serious qualms to the managers of politics.

In a different vein, but with effects on complacent opinion almost as subversive, was James Bryce's *American Commonwealth* issued in 1888. For the first time since the days of de Tocqueville, a philosophic foreigner, in this case an Englishman, had surveyed the whole American tableau, if, as someone remarked, "over the rim of a champagne glass," and described it with elaborate precision. Hitherto, most of the books on American government had dealt with the subject in the terms of pious constitutional fiction; but Bryce laid bare the anatomy and morphology of politics—rings, bosses, frauds, machines, intrigue, and chicane. It was devastating, especially that part of it written by a young professor at Columbia University, Frank J. Goodnow. Though Bryce did not speak in the language of a medical man or offer specifics for the ills he exposed, his book made a sensation among those who, to use Ruskin's phrase, had sat with joyful faces at the banquet table—blindfolded.

Before their serenity was completely restored, they were given a more violent shock in 1894 by a volume from the pen of a fellow-countryman, Henry Demarest Lloyd, bearing the pointed title, *Wealth against Commonwealth*. For a long time Lloyd had been studying closely the methods

used by the giants of capitalism in disposing of petty competitors. In 1881, to the distress of respectable readers, he published in the *Atlantic Monthly* a merciless attack on the Standard Oil group. After devoting more laborious days to amassing data, Lloyd then opened a general campaign, using the records of judicial trials and legislative inquiries to convict capitalists of the crimes usually ascribed to those inclined, like Napoleon, to neglect minor conventions in the pursuit of major aims. Some of his evidence was sedulously controverted; yet there was enough truth in his sweeping indictment to spread among the mighty much trepidation over the safety of their institutions. Doubtless the effect of Lloyd's arraignment would have been more terrifying if he had not offered social democracy as the answer to the questions raised by his analysis—a particular solution no more palatable to the American middle class than the doings of John D. Rockefeller's South Improvement Company.

Upon the members of the plutocracy at large, the criticisms of Henry George and of Henry D. Lloyd made no very lasting impression; though, as time moved on, a few of them began to manifest doubts more or less philosophic. If none followed the Christian injunction to sell his goods and give to the poor or emulated the example of the Grimké sisters who, freeing their slaves, took up abolition, one at least, Frederick Townsend Martin, gave his whole class a terrible lashing in a book, called *The Passing of the Idle Rich*, published in 1911. "It is strange to me," he said, "and it always has been strange to other men who have studied those things, that a plutocracy can be so long maintained; for a plutocracy, of its very nature, is the weakest possible form of government. It lives either by force or fraud. It lived in Rome before the days of Marius by force alone; and the lower orders of Rome were slaves. It lived in Paris before the Terror by a combination of force and fraud. . . . It lives in America by fraud alone; and what may we say of the people of this nation that permit it to

live? . . . Today we are studying the sources of our wealth, finding out for ourselves the real price paid by humanity to give us the privilege of the social life which we and our fathers have enjoyed." Thus the American leisure class was invited to turn in upon itself, inspect its economic position, and consider its place in the general social structure. Naïve acquisition and enjoyment were coming under the scrutiny of sophistication.

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A counter-reformation, as always, followed the assaults of the critics. The capitalist system, in which the plutocracy flourished, like every other social organism, had to evolve a scheme of defense and, as things turned out, the task of justifying to man his own handiwork fell mainly to the economists in the universities that sprang up like mushrooms as the gilded age advanced. At Yale, William G. Sumner vindicated in lecture and treatise the economics of Manchester so acceptable to captains of industry eager to be left alone—at least in domestic affairs if not in the matter of tariffs. At Columbia, John Bates Clark, in his *Philosophy of Wealth* and later in his *Distribution of Wealth*, showed with a lavish display of learning and logic that on the whole the capitalist system worked for justice, rough-hewn, but still justice; to put his system in more severe terminology, each factor of industry, particularly capital and labor, is rewarded in the main according to its contribution and thus business enterprise partakes of even-handed equity. Under the terms of a gift from a wealthy manufacturer, the Wharton School established in 1881 at the University of Pennsylvania was expected to expound the protective tariff as a highly praiseworthy economic device. All that was needed to make the circle complete was another Calhoun to celebrate the theme: "Capitalism a Perfect Good!"

That task, however, proved impossible; for academic economics was not at bottom altogether unified by any such