

# ***AMERICAN INDUSTRIAL EVOLUTION***

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## INTRODUCTORY.

The early inhabitants of this country knew not the factory, mill nor mine. They subsisted by means of agriculture and home industry. They raised their own food and raw material on the land, and, at their own fireside, or in little out-houses built expressly for the purpose, spun and wove their own yarn and cloth, and otherwise created use values, or articles for their own consumption, bartering only the surplus for the manufactured products of Great Britain, or selling it for such currency as was to be had at the time. Later, in towns and cities, especially in those on the seaboard having considerable shipping and commerce, handicraft, distinct and separate from farming and home production, sprung up in shops. In the years 1790–1800 another marked advance was made; then was inaugurated modern machine and factory industry. This system has continued to the present time, developing through the various forms of co-partner, corporate and trust ownership, which it necessitated, into great proportions, with the result that we now have what has very aptly been called “the integralization of Capital.”<sup>1</sup>

Integralization means the unification of all the great combinations of capital into one co-operative whole. The essence of Integralization is inter-ownership and the inter-representation based thereon. Integralization expresses itself through bank groupings and on boards of directors. By and through these agencies all trust interests are united and conserved, and the complete

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<sup>1</sup> See Prof. Richard T. Ely's *Evolution of Industrial Society*.

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control of the most important—the strategic features of the capital of the country—its sources of raw supply, means of manufacture, transportation, distribution and exchange—passes directly in the hands of a few, known as the ultra-financiers, the plutocracy. From individual production and independence to integralized industry and plutocratic domination—such has been our industrial, political and social history.

The transformation of the American people from a state of individual independence to one of domination by a financial plutocracy, is primarily caused by changes in the methods of producing and distributing the things which man needs to shelter, clothe and feed himself—by the division of labor and the invention of machinery. These compelled the development of social instead of individual forms of industry and competition, and capitalist instead of social forms of expropriation and property. Thus there evolved, on the one hand, the concentration of capital and the capitalist class; on the other, the organization of large co-operative labor, in place of individual effort; first in a technical, next in a protective, and, finally in a constructive, emancipatory sense; in brief, the working class and Socialism. The development of these two antagonistic, yet converging tendencies and classes, is the hub of the whole social problem of modern times. Around it all else revolves. From it radiates the many questions of the age that are bound up in the nation's deep-seated unrest. Let us, therefore, scrutinize this development in detail, that we may the better play our part in the solution of the revolutionary agitations which it produces.

## CHAPTER I.

### THE COMBINED AGRICULTURE—HANDICRAFT PERIOD.

Of the dual land and domestic character of primitive American production, there is abundant evidence. Historian, novelist, economist,—all record, depict and argue it. For instance, Daniel Denton, in his description of the province of New York in the seventeenth century, written in 1670, and reprinted in Vol. I of *A Library of American Literature*, exclaims with delight: “Here you need not trouble the shambles for meat, nor bakers and brewers for bread and beer, nor run to a linen draper for a supply, every one making their own woolen cloth for ordinary wear.” Again, in James Lane Allen’s beautiful novel, *The Choir Invisible*, which depicts the Kentucky of 1798, the charming heroine is shown at work spinning and weaving in a little out-house, adjoining her farm-home. Another prominent woman character is as exquisitely portrayed riding an amiable old horse to town, there to barter the roll of cloth thus woven for some daintier article of feminine wear manufactured in Great Britain. The town itself, with its trade and barter is described. In 1891, the Populist Senator from Kansas, Wm. A. Peffer, drew this picture of early American life in his book, *The Farmer’s Side*, “A great many men and women now living remember when farmers were largely manufacturers. . . . Every farmer had an assortment of tools with which he made wooden implements. Then the farmer produced flax and hemp and wool and cotton. These fibers were prepared upon the farm; they were spun into yarn, woven into cloth, made into garments

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and worn at home. Every farm had upon it a little shop for wood and iron work, and in the dwelling were cards and looms; carpets were woven, bed clothing of different sorts was prepared; upon every farm geese were kept, their feathers used for supplying the home demand with beds and pillows, the surplus being disposed of at the nearest market town. During the winter season wheat and flour and corn meal were carried in large wagons drawn by teams of six to eight horses a hundred to two hundred miles to market, and traded for farm supplies for the next year—groceries and dry goods.” William Godwin Moody, in his *Land and Labor in the United States*, published in 1883, sums up the situation when he says: “Before the present great division of labor the farmer and his family, when not employed in planting and reaping, were engaged in spinning and weaving, and the other manufacturing operations of the farm household that provided the family, by their own domestic manufactures, with the food, clothing and shelter necessary for a comfortable and often luxurious subsistence.”

### LAND THE MAIN REQUIREMENT OF EARLY PRODUCTION.

There can be no doubt upon an examination of the various data concerning early American conditions that, after the frontiersmen and pioneers had cleared the way and made settlement possible, our forefathers carried on industry as an integral part of agriculture; only incidentally making a bye-occupation, so to speak, of it. It was then comparatively easy to be a producer. Land was the main requirement, and land, in the early colonial and national periods, was both cheap and

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abundant. In the early colonial period the communal form of land tenure prevailed in the Northern states, the classical ground of American industrial evolution, with which we shall mainly concern ourselves. Edward Eggleston, in his researchful chapters on "Land and Labor in the Early Colonies" (in his valuable work *The Transit of Civilization*), says: "Every man has his home lot, his share in the cultivated field, his right to feed his cows in the common pasture and in the common fields when the crops were off, and so on, duly awarded him. The town owned the realty and divided it according to its own good pleasure." In the early national period the attempt to confine land tenure to communal forms was rendered futile and unnecessary by the boundless expanses opened to immigrants ever westward—a common free-for-all domain that appeared practically unlimited and impossible of hedging in. Under such circumstances, squatter sovereignty, or pre-emption, was the rule. Frederick Jackson Turner, in an article in the 1893 report of the American Historical Society, entitled "The Significance of the Frontier in American History," quotes *Peck's New Guide to the West*, published in Boston in 1837, as follows: "Generally, in all the Western Settlements, three classes, like the waves of the ocean rolled one after the other. First comes the pioneer, who depends for the subsistence of his family upon the natural growth of vegetation called the 'range,' and the proceeds of hunting. . . . It is quite immaterial whether he ever becomes the owner of the soil. . . . The pre-emption law enables him to dispose of his cabin and his cornfield to the next class of immigrants; and to employ his own figures, he 'breaks for the high timber,' 'clears out for the New Purchase,' or migrates to Arkansas or

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Texas to work the same process over.

“The next class of emigrants purchase the lands, add field to field, clear out the roads, throw rough bridges over the streams, put up hewn log houses with glass windows and brick and stone chimneys, occasionally plant orchards, build mills, school-houses, court-houses, etc., and exhibit the picture and forms of plain frugal, civilized life.

“Another wave rolls on. The men of enterprise and capital come. The settler is ready to sell out and take advantage of the rise in property, push further into the interior and become himself a man of capital and enterprise in turn.”

In a foot-note to this quotation from Peck, Turner says: “Compare Baily, *Tour in the Unsettled Parts of North America* (London, 1856), pp. 217–219, where a similar analysis is made for 1796.”

From the foregoing it will at once be seen that land was both cheap and abundant in the early colonial and national periods of the country, and as such tended to the creation of a comparatively unrestricted population, which was in a continual state of fluctuation and progression.

### EARLY AMERICAN PRODUCER SELF-RELIANT AND INDEPENDENT.

As a result, both of the peculiar nature and basis of his industry, the early American producer was a self-reliant and independent man. There are some who, with the bond servants, the redemptionists and the black slaves in mind, will deem this statement unsound; arguing that these three classes denote a deep and



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widespread prevalence of early dependence and exploitation. These are admittedly important factors, impossible of elimination in any historical resume of American industrial evolution; but, as Eggleston and other historical investigators make plain, even the bond servants and redemptionists secured freedom through the land; while Turner well points out that black slavery was only a subsidiary incident in the development of the country. That these are facts of superior importance is shown, first, in the important role the land of this country has played, until comparatively recent times, as the social safety-valve of both the old World and the Northern states; second, in the utter overthrow of chattel slavery by wage-slavery—a defeat so crushing, that, unlike the remnants of feudalism that persist amid full-fledged Capitalism in Europe, chattel slavery is without a remaining vestige of its former domination over the United States at the present time. Capitalism rules absolutely. Paradoxical as it may seem, Karl Marx points out (in *Capital*, pp. 790–800) that the easy ability of the early colonists to transform themselves from hired laborers to independent producers caused chattel slavery and redemptionism. It was only by such aids that a permanent army of exploited labor could be maintained. Even then that army was very deficient. The conditions of independence were too numerous for a big growth.

True historical perspective will justify any contention asserting the existence of early American self-reliance and independence. It will also hold that the early American producer's greatest drawbacks were those arising from a wild and undeveloped country, with his titanic struggles—natural, racial and national—for domination; combined with the repressive colonial policy

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of Great Britain, which sought to reduce his activities to a purely agricultural plane, in the interests of her own embryonic manufactures. The natural drawbacks he gradually overcame; the racial and national ones he successfully fought; while he at first evaded and finally overthrew the repression of Great Britain.

### HANDICRAFT DISTINCT AND SEPARATE FROM AGRICULTURE.

This condition of self-reliance and independence, nurtured by the very obstacles which it overcame, continued even when production reached the dignity of a separate division of labor, and was no longer an integral part of agriculture. This separation first occurred where commerce and shipping created trading posts, towns and cities, and the latter required for their erection and maintenance, along with the former, a class of laborers wholly devoted to the specialized crafts and callings. Of this development we have had a glimpse in the quotation from Peck by Turner, already given. John Josselyn, in his *An Account of Two Voyages to New England*, published in 1675 and reprinted in Vol. I of *A Library of American Literature*, gives a further insight into this process. Says he: "The people of the province of Maine may be divided into magistrates, husbandmen or planters, and fishermen, . . . of which some are fishers and planters. Handicraftsmen there are few, the Tumelor, or cooper, smiths and carpenters, are most welcome among them." The fisheries of New England were the foundations of its commerce and shipping. With them in existence, the demand for coopers to make the barrels in which to pack the fish, and for smiths and carpenters to build the boats in which to catch and

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transport them, is easily explained; as is also the need of handicraftsmen to build the houses to shelter the fishers and all those co-operating with them in their maritime and commercial pursuits. Under such circumstances, cities and towns were bound to spring up, and the handicrafts become separated from agriculture. With this system wages were introduced, consisting partly of “keep” and partly of money.

Gabriel Thomas, in his photographic description (to be found in Vol. II of *A Library of American Literature*), of the high wages and good labor conditions existing in Philadelphia in 1698, then a thriving commercial town of 2,000 houses, enumerates some sixty-odd handicrafts that flourished therein. These range all the way from blacksmiths and carpenters, both house and ship, to printers, pewter and silversmiths—from the creators of actual necessities to the creators of primitive luxuries. Thomas shows the ease with which handicraftsmen set up shop for themselves, and the servants turned farmers, when the wage conditions were unsatisfactory to them in the towns of the flourishing Pennsylvania province of which Philadelphia was the center. Prof. Richard T. Ely states that a Boston directory for 1786 gives less than two hundred occupations. This would indicate that in the early period handicrafts were not numerous and did not increase abundantly, when separated from farming. In fact, it cannot be said that American handicraft, as a distinct division of labor, was ever an important factor in the industrial evolution of the new world. American handicraft, apart from agriculture, was crushed, first, by the repressive colonial policy of Great Britain; second, by machine industry and the factory system; so that its development was greatly

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abridged and its influence rendered almost nil, except in so far as its repression was one of the many important causes of the American revolution.

### THE BEGINNINGS OF DEPENDENCE AND SUBJUGATION.

It was only when the handicraft shops became large and represented comparatively large capital, that the condition of independence among the handicraftsmen began to wane. Then men trained exclusively to a trade and living apart from the land in the towns and cities, found it more difficult to reverse the process of industrial evolution and go back to the combination of farmer and handicraftsmen. They, having neither the capital of the handicraftsman, nor the training of the farmer, had to submit to the exploitation of the master handicraftsman, somewhat after the manner of their European contemporaries. Again, rights depended on the land; the man without land was without rights. He only obtained rights by special concession on the part of the community, such, as Eggelston shows, was granted to millers, merchants, and others of the employing and professional classes. The result was that the employed handicraftsmen and laborers were both disinherited and disfranchised during this period. It was in these shops, and under these circumstances, that the first American strikes—those of the shoemakers and bakers—occurred in 1742 and 1796 respectively. This was the first manifestation of a distinctive modern working class on the American social horizon.<sup>2</sup>

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<sup>2</sup> Make no mistake about the meaning of this statement. It does not imply that this was the first manifestation of revolt against exploitation on American soil. In New York in 1712, twenty-four negro,

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It was not, however, until the inauguration of the modern machine industry and factory system, that the creation of a distinctive American working class began in earnest. This system resulted in the complete destruction of the domestic and handicraft forms of production, and gave rise to the stock company and corporation. These latter divorced still greater numbers of the people from the land and the implements of production, while, at the same time, creating in their stead, as the owners and controllers of the natural sources and machinery, the capitalist class, making of the people a subjugated, laboring class.

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slaves were killed in an insurrection; in 1740, in a South Carolina battle between the white people and the negro slaves, the latter were routed. The statement deals specifically with “a distinctive modern working class”; chattel slaves are the relics of an obsolete system.

## CHAPTER II.

### THE MODERN MACHINE INDUSTRY AND FACTORY SYSTEM.

The inauguration of the modern machine industry and factory system, occurred in the decade 1790–1800. Its foundations were laid amid momentous events. Inspired by the British Board of Trade, and, acting under the direction of the comprehensive, bold and energetic first lord of trade, Charles Townshend, Great Britain had, in 1765, made plain that the spirit of colonial administration was to make the colonies, in the expressive language of the historian Palfrey, “an auxiliary to British trade.” Then were fanned into flame the long smoldering fires of revolution. The colonies, full of ideals of independence, religious, social, political and industrial, and living amid boundless opportunities for their realization, had long been dimly conscious of their status as a field of exploitation. Beginning with the Navigation act of 1660, restricting colonial exports and imports to Great Britain, the English Parliament had passed, by the year 1763, no less than twenty-nine separate acts, tending to weave the cords of English embryonic Capitalism tightly about the still feebler beginnings of American Capitalism; strangling the latter in their very inception. The colonies were prohibited from engaging in manufacture, coining their own money, selling land to other than British subjects, cutting down pine trees under any pretense, engaging in banking, conducting foreign and intercolonial commerce in any other than English vessels, and from engaging in any pursuit, aside from agriculture, in conflict with English

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interests. As the American historical writer, George W. Greene (in his *Historical View of the American Revolution*) well puts it: "Thus the relation of England to her colonies, which might have been a relation of mutual good offices, became, on her part a mere business relation, founded on the principle of capital and labor and conducted with a single eye to her own interests. They formed for her a market of consumption and supply, consuming large quantities of her manufactures, and supplying her, at the lowest rates, with many objects that she required for her own consumption. What she sent out as raw material, she returned prepared for use. Her ship owners grow rich as they carried the sure freight to and fro. Her manufacturers gave free play to their spirit of enterprise, for their market was secured to them by a rigorous monopoly. She had the exclusive right of buying, and therefore bought upon her own terms; the exclusive right of selling, and therefore set her own price. If with all these restrictions and obstacles the colonies still continued to grow in wealth and strength, it was because in a new country where land was cheap, the spirit of industry could not be crushed from a distance of three thousand miles by the spirit of monopoly."

"The spirit of industry," here referred to, manifested itself in "illegal" ways—ways that expressed the yearning for independence and the smoldering discontent burning within the colonies—ways that hastened the development of acute conflict and created the revolution. The Maine lumbermen, for instance, forced by the needs of the ship industry and shipping of New England, to whom the pines were essential, resolutely disregarded the prohibition against the

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cutting down of the trees, and carried on a running fight with the royal surveyors. The merchants and ship-owners, aided and abetted the lumbermen, as they did smugglers. Lawyers and physicians enriched the wardrobes of themselves, wives and daughters, with material that was liable to confiscation; farmers and handicraftsmen daily placed on their tables articles that only could be placed there in violation of the law; even the rigid clergy were among the generations of law-breakers developed by the restrictive acts of Great Britain's growing Capitalism.

### THE WAR FOR INDEPENDENCE.

It was only when the English parliament began to hamper and curtail internal production and commerce that the colonies began to move toward a realization of their dream of independence, for which their inhabitants had left the Old World and migrated hither. As Greene well (and naively) puts it: "When a hatter was forbidden to take more than two apprentices at a time, or any apprentice for less than seven years,—when he was encouraged to buy slaves, and forbidden to use them in the only way he could make his purchase profitable,—he felt aggrieved, deeply aggrieved. But when he was forbidden to send his hats to an adjacent colony that was ready to pay him a fair price for them, and to which he could send them without inconvenience or risks, and get something in return that he wanted very much, he felt that the legislator who made these laws for him had made them in wanton defiance of his interests and his rights." Woolen manufacturers were subjected to similar restraints; and iron could be taken from the mine only



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on condition that it be manipulated into value by English hands.

It was under these repressive circumstances that the spirit of American defiance and independence rapidly grew. It acquired volume and force, as the colonists, led by the land-owners, shippers, merchants, financiers, handicraftmasters and lawyers, developed successively the ideas of union, congress, non-importation and separation; the first two of which evolved out of the defensive alliance made necessary by the French and Indian wars, which were primarily British trade wars, as Franklin showed; the second of which became weapons of offense and defense as the oppression of Great Britain increased.

In order to put an end to the practical defiance of its arbitrary decrees and crush out the growing revolt against its authority—in a word, enforce the policy of economic exploitation in the interests of its embryonic capitalist class—Great Britain was compelled to resort to political coercion. She sought to suppress colonial government, which, inspired by the ideals of independence, and dominated by the land owners, ship owners, merchants, financiers, handicraftmasters and lawyers, had become the center of defiance and revolution. She sent tyrannical governors to preside over the colonial assemblies, veto their acts of legislation, and, with the aid of troops, disperse them when, hostile and unyielding, they refused to enforce His Majesty's decrees as proclaimed by themselves. When the colonial assemblies, going over the heads of the colonial governors, sent commissions and petitions urging and demanding relief and redress from both parliament and king, increased usurpation and oppression was the

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answer. The result was to transfer the scene of the struggle from Parliament to the battlefield. The American Revolution followed. Independence was declared and won, and the nation founded—the united colonies became the United States of America.

### THE FRUITS OF THE REVOLUTION.

The dominant classes—the land owners, slaveholders, merchants, shippers, financiers, and embryo capitalists generally—were now enabled to carry on their various branches of exploitation under a government that favored development instead of extinction. They had full sway, for, despite the opposition of the ideal elements and the idealistic rallying cries of the revolution—viz: “no taxation without representation”; “government exists only by the consent of the governed,” “all men are created free and equal”—there was no representation for the landless, the propertiless, the unprivileged and the chattel slaves. Though all the taxes were paid out of the surplus value expropriated from them by the dominant class, they were governed regardless of their consent; nay they were often reduced to submission whenever the interests of their overlords demanded. Freedom and equality could not and did not exist, where less than one-fourth of the population were so situated that they could meet the high property requirements, vote, and be heard in the councils of the nation. Franklin, Jefferson, and other noble men, representatives of the ideal element, fought the retention of slavery and a suffrage based on property restrictions; but in vain. Happily, the wisdom and loftiness of their course was soon vindicated by

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subsequent events: the sturdy democracy of the west early forced the extension of the suffrage, regardless of property qualifications; while the great Civil War abolished chattel slavery. These two great factors rectified the mistakes of the majority in the constitutional convention; and made the nation what its most advanced founders intended it should be—a land of political equality and independence.

### A WONDERFUL DECADE!

The constitution of the nation was hardly adopted, and the first presidential cabinet scarcely formed, when, in 1791, that far-seeing genius and patron saint of American Capitalism, Alexander Hamilton, the first secretary of the Treasury, delivered his famous report on manufactures, with its policy of government aid and protection to capitalist interests. This policy was not altogether new. Of French and English origin, it was foreshadowed as early as 1780 in the commercial argument against separation delivered by the loyalist governor of Pennsylvania, Joseph Galloway. As a contrast to the policy pursued by Great Britain in her repression of the colonies, quoted above from the American historical writer, Greene, this argument is both instructive and illuminating. Said Galloway in part:

“When America shall have a separate and distinct interest of her own to pursue, her views will be enlarged, her policy will be exerted to her own benefit, and her interest, instead of being united with, will become not only different from, but opposite to, that of Great Britain. She will readily perceive that manufactures are the great foundation of commerce, that commerce is the

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great means of acquiring wealth, and that wealth is necessary to her own safety. With these interesting prospects before her, it is impossible to conceive that she will not exert her capacity to promote manufactures and commerce. Laws will be made granting bounties to encourage it, and duties will be laid to discourage or prohibit foreign importations. By these measures her manufactures will increase, her commerce will be extended, and, feeling the benefits of them as they rise, her industry will be exerted until she shall not only supply her own wants, but those of Great Britain itself with all the manufactures made with her own materials." How prophetic!

Born of the opposing interests of the capitalists of England and the United States—such was the inspiration of Hamilton!

Hamilton's report showed that, despite British repression and the hardships of the Revolutionary war, several important branches of manufacture had grown up and flourished. Among these leather, iron, wool, flax, paper, hats, carriages, etc., are enumerated. (By manufactures, handicrafts undoubtedly are meant, for manufactures in the modern sense did not then exist.)

Two years after the delivery of this report, in 1793, Eli Whitney invented the cotton gin, and Samuel Slater erected the first cotton spinning mill at Pawtucket, R.I., "a wood built structure, two stories in height." In 1796, in New York city, John Fitch constructed and experimented with the first steam propeller. In the year following, Asa Whitmore of Massachusetts, invented a machine for carding wool, which the eloquent John Randolph of Roanoke declared "operated as though it possessed a soul." From a state oppressed to a state-

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aided embryo—from handicraft united mainly with agriculture to industry based on machinery operating as though “it possessed a soul”—such was the revolution that caused the decade 1790–1800 to be an epoch-making one in the industrial evolution of the country.

Succeeding decades carried this revolution still further, with increasing momentum. Hamilton’s plans, though greatly frustrated by his opponents, took root and were carried to greater success during the administration of his successor, Gallatin. The cotton industry, the first great industry called into creation by the political and mechanical revolution, underwent great improvements. Whitney’s invention ginned the cotton; the machinery of Slater’s mill spun it into yarn; from whence it went to spinners who wove it into cloth on hand looms. In 1812, Francis C. Lowell and his brother-in-law Patrick S. Jackson, aided by a practical mechanic, Paul Moody, erected at Lowell, Mass., a mill in which were combined all the operations necessary for converting the raw cotton into the finished product. Had Randolph seen the machines in this mill he surely must have thought that they operated as though they possessed a variety of souls.

### EFFECTS OF NEW INDUSTRIAL SYSTEM ON OLD.

The effects of this transformation were immense; and widely felt. The results achieved by the cotton industry, which is the most typical example of the change, illustrates this. In 1791, it was computed by Hamilton that of all the clothing of the inhabitants of the country, four-fifths were made by themselves, and that great quantities of coarse cloth for bedding were made in

households. In 1830, forty years after the delivery of Hamilton's report, and the epoch-making decade of 1790–1800, the capital employed in cotton manufacture, amounted to the then enormous sum of \$40,614,984. There were 795 mills working 1,246,503 spindles and 33,506 looms. They produced 230,461,000 yards of cloth that weighed 59,604,926 pounds, and were valued at \$26,000,000. These mills employed 117,622 persons, mainly women and children, whose wages amounted to \$10,294,944, or an average of a little over \$62 a year. Stebbin's *Eighty Years' Progress of the United States*, commenting on the figures relating to the textile output quoted above, says frankly: "It is obvious that this large and sudden production of cloth could have found vent only by supplanting the work of families and hand looms, and, of course, by pressing hard upon the spinners of yarn." Thus, not only is the damage to domestic industry admitted, but the pressure upon the spinners of yarn, is taken as a matter "of course."

These figures and the commentary made upon them, however striking they may be, but faintly convey to the mind the full extent of the destructive effects of the modern machine industry and factory system upon domestic industry associated with agriculture, in the North Atlantic states. In order to realize this, the very vivid picture of them drawn from nature by Horace Greeley, in Chapter VI, P. 49 of his *Recollections of A Busy Life*," must be contemplated. Here it is:

"All in vain. The times were what were termed 'hard,'—that is, almost every one owed and scarcely any one could pay. The rapid stride of British manufactures, impelled by the steam engine, spinning jenny and power loom, had utterly undermined the household fabrications

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whereof Londonderry was a prominent focus; my mother still carded her wool and flax, spun her yarn and wove her woollen, linen and tow cloth; but they found no market at living prices; our hops sold for little more than the cost of bagging; and, in short, we were bankrupt. . . . In fact, I do not know how much property would have paid \$1,000 in New Hampshire in 1820, when almost everyone was hopelessly involved, every third farm was in the sheriff's hands, and every poor man leaving for 'the West,' who could raise the money requisite for getting away. Everything was cheap, dog cheap,—British goods especially so; yet the comparatively rich were embarrassed and the poor were often compulsorily idle and on the brink of famine. I have not been much of a Free Trader since."

### BASIC CAUSE OF FARMERS' BANKRUPTCY.

There is certainly a striking presentation of the havoc wrought by the modern machine industry and factory system on domestic industry allied with agriculture. Greeley erred though, in attributing this condition of affairs exclusively to British manufactures. Cotton was a protected industry; yet, as we have seen, precisely the same condition of affairs existed among cotton as existed among woollen spinners. Further, statistics show that in the year 1820, the year of which Greeley wrote so vividly, the manufacture of woolens, while not enjoying the same degree of protection as the manufacture of cotton, had, nevertheless, already attained considerable proportions. According to these statistics, in 1810 it was estimated that woolens to the value of \$25,608,788, were made in this country, mostly in families; while in 1820

the value of woolens made in factories exclusively was \$4,413,068. This is more than one-sixth of the value of the family products of a decade ago. In quantity, owing to the cheaper cost of production of machine-made commodities, it was most assuredly another sixth as large. This immense addition to the output of the woollen products of families would alone have seriously affected the prices obtained by the latter; the importations from Great Britain only served to accentuate an already bad condition. In fact, this immense addition could not fail to affect only the "living prices" Greeley's mother was accustomed to receiving for her flax and woolens, but the price of all the farm products which depended for their strength on the returns of home industry, as well. A large supply of commodities is an indication that less social labor is necessary to their production than was formerly the case; while a small supply is an indication that increased social labor is required. The mechanical ingenuity of the modern machine industry, combined with the greater efficiency of the division of labor carried on under the factory system, makes possible a vast reproduction of commodities at less socially necessary labor than under home industry united with agriculture. The result is a serious fall in the exchange values and prices of the commodities produced by home industry, together with those of the farm products dependent upon them. This is why it was that, in Greeley times, the woollen and cotton mills were enabled to supplant home industry; "times were what were termed 'hard'"; "everything was cheap, dog cheap"; farm values depreciated, and the farmers were bankrupt, compelling them, if possible, to migrate to "the West"; or drift to the cities in search of an occupation and employment, as did



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Greeley himself, when the required means for migration westward were not available. It was the triumph of the great modern machine industry and factory system over small individual domestic production; the triumph of land and machinery owned by capitalists and operated by wage labor, over the land and machinery owned and operated by the producers themselves.

### THE CORPORATION—ITS BEGINNINGS AND RESULTS.

It is obvious, from what has preceded, that the farmer and small producers were ruined because they could not produce as abundantly and with as little socially necessary labor (in other words, as cheaply), as did the capitalists, with mechanical means, large mills and the factory division of labor. It should also be obvious that the reason why they could not adapt themselves to the changed conditions and erect mills of their own in competition with the capitalists was, that they did not possess the necessary capital wherewith to do so. Bankrupt, they had the land, but not the machinery; nor had they the means wherewith to secure the latter, granted that their land was so located as to be adaptable for factory purposes. On the contrary, there is evidence that in many instances, the depreciated lands of the farmers were bought up by the very men who were foremost in the movement that caused the depreciation; in other words, the farmer's property was practically confiscated by the capitalist class. And it is here that we come to the rise of the stock company and corporation, with their contributory aid in divorcing the people from the land and means of production, and creating a distinctive capitalist class, with its antagonistic opposite,

the working class.

It stands to reason that the erection and operation of a factory containing improved machinery and raw material require more capital than does the pursuit of a simple domestic enterprise. The capital necessary to success in the latter is comparatively insignificant and, from a modern standpoint, hardly worthy of the name. While many embark in the latter, few persons have sufficient money or credit to undertake the former. And the few who have, either do not care to assume the risks alone, or they find it more profitable to embark in the undertaking with state aid and with others. From this combination of circumstances result the successive forms of uniting small capitals, called co-partnerships, stock companies and corporations, with their stock robbery, government corruption and class exploitation.

In this evolution, according to Dos Passos' *Commercial Trusts*, co-partnerships were bound to have many legal and economic limitations. Partners were held liable for all the debts incurred, regardless of the amount invested. No suit could be brought against the partnership without serving all the partners. The partnership limited the amount of the capital available for investment, and death generally ended it. The company, or quasi-corporation, followed. In it, shares were allowed; that is, certificates of stocks were issued equivalent to the interests of the partners and could be sold by them to others. Logically, the corporation was the next creation. "A corporation," according to Blackstone, "is an artificial person created for the preserving in perpetual succession certain rights, which, being conferred on natural persons would fail in process of time." Thus, the corporation insures the continuation

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of an enterprise after the death of its originators. Many persons may form it; coming and going to and from it as their interests demand. Further, the individuals doing so are not liable for its debt; nor can they be proceeded against for its criminal acts: the "artificial person," instead of the real persons composing it must be attacked, as Judge Harmon discovered in the Morton-Santa Fe rebate inquiry. It would not do to place the capitalist in a position where he cannot expropriate wealth without safety to himself. All the individual does in a corporation is to contribute to its capital stock, or secure possession of the stock certificates representing it by fair means or foul (the fouler the greater the "financial genius" displayed), in the stock market. The stock certificate establishes the individual's interest in the corporation, and gives him wealth, in the shape of dividends, that, despite lavish drains upon it, augments, in fact, multiplies his principal manifold; all without a stroke of labor on his part. The individual may sell or transfer his stock certificates to others; or enjoy their tremendous appreciation in value at Monte Carlo or Newport; provided, of course, the magnates in control of the corporation do not so manipulate the stock as to deprive him of his parasitic privileges, as is often done. In the meantime, the actual labor of the corporation is carried on by technical experts and skilled workmen, in brief, labor of all degrees of mental and manual ability, hired according to the laws of supply and demand.

### AMERICAN "ORIGINAL ACCUMULATION."

The textile mills of this country, which have been selected to illustrate its early industrial development,

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were started on the partnership basis; but were soon forced, because of the rapid expansion of the cotton industry, to adopt the company and corporation form of ownership. They were first capitalized mainly by New England—Boston merchants; backed later by British interests. These combined interests controlled the country at the time, and for a long time after. It is an historical fact that the British interests acquired their “original accumulation,” that is the first of their capital, not through the savings resulting from abstinence, for they lived on the best of the earth, but by the illegal eviction of the peasants from the land, and the destruction of the home industries, both of which forced the peasants into the cities and mills, where they were exploited, amid horrible conditions and profits running into the hundreds per cent., by their land confiscators and factory expropriators. The “original accumulation” of the New England interests was not one whit less infamous. It is not necessary here to call attention to the fact that the New England interests were the leaders of the smuggling and law-breaking elements of colonial times; John Hancock, the president of the Continental Congress, being most prominent among them. Such acts, under the repressive conditions imposed by Great Britain, may be warranted, and justifiable. But there can be no such excuse in subsequent periods. The New England interests are, nevertheless, notorious for their opposition to the incorporation into the federal constitution of the inhibition of the slave trade after 1808. Dominating the merchant marine sailing between this and foreign countries, they found the return cargoes of slaves essential to their profit. Without such cargoes, success would not have been possible; with them fortune

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was the reward. The slave traffic, against which the leading men of the nation argued with troubled prescience, was the basis of their wealth; constitutional inhibition was repugnant to them; hence their opposition, which continued until steam navigation and European immigration made the slave traffic unnecessary. The New England interests were also noted for their usurious hold upon the farming and land-owning classes. The transporters of the latter's raw products to foreign shores, they held toward these two classes relatively the same position that the rate-discriminating railroads and the flinty bankers hold toward the farmers to-day—the position of dominators and fleecers. It was they, as Greeley shows, who became extensive land-owners and exploited the labors of the bankrupt farmers. The Slaters and Lowells who started the cotton industry in which these New England interests invested so liberally were of the same "original accumulation" stripe. According to Stebbin's history, already quoted, they stole the inventions on which their fortunes were based, from the English creators thereof. Horace Greeley, in his *The American Conflict*, describes how the cotton gin was forcibly taken from Whitney by the Southern planters, to the great impoverishment of the former and enrichment of the latter. With such beginning, who wonders at the crimes committed by the Rockefellers and the other kings of modern integralized industry? They are the logical results of a system founded in infamy and perpetuated by it.

### THE DOMINATION OF THE CORPORATION.

Once established in industry, the capitalist interests

gradually grew to be the dominant political power. They fought the war of 1812 to secure a maritime right of way to foreign markets. They clamored for protection—and got it. They demanded centralized banking—and got it. They raised the slogan “internal improvements”—and got them, together with the immense “graft” that went with them. Availing themselves of the ancient custom of granting special privileges to non-landholders, described by Eggleston, they demanded franchises entailing rights to land, bounties, subsidies, water power, etc.,—and got them. (No less a famous personage than Alexander Hamilton himself was a beneficiary of capitalist generosity to capitalist industrial exploitation; his company securing the valuable water rights to Passaic Falls, at Paterson, N.J.). In fewer words, the capitalists’ interests, by gradually dominating the economic forces of the country, gradually controlled its political institutions to their advantage; becoming, by these two-fold means, employers, and rulers, a class apart from the bulk of the community, with interests, privileges and powers distinct from those possessed by it. Thus operated the industrial corporation in still further divorcing the people from control and ownership of the land and means of production; thereby creating a distinctive capitalist class, with its antagonistic opposite, the working class.

## CHAPTER III.

### THE EARLY AMERICAN WORKING CLASS REVOLT.

As the modern machine industry and factory system developed, its effects on the poor farmers and the working class grew more pronounced. The application of steam to machinery and the inflow of immigration accentuated it, in the more thickly settled sections of the Northern states; as did the increasing control over the industrial, banking, railroad and other enterprises which the capitalist interests slowly but surely acquired, with the aid of the Federal government. On top of this came a series of panics, with great agricultural hardships and unemployment in the cities. A remarkable revolutionary agitation was thus set in motion, making the decades 1825–1850 epochal in the labor and social history of the country; and bringing into strong contrast the two great antagonistic interests that were slowly developing in the most modern portion of modern America. Trades Unions, workman's parties and co-operative colonies sprang up, and the first pronounced division between capital and labor took place in this country. The land of independence and equality was becoming the land of dependence and inequality to the white wage slave as well as the black chattel slave. Class combination, war and oppression were the logical results.

It is not difficult to trace and understand how this came about. The men and women who, by the destruction of home industry, were forced from the farms into the factories, acquired common sympathies,

interests and aspirations, in contradistinction to and in conflict with those of the class who had foreclosed on, and were exploiting them for profit. For instance, Horace Greeley, driven from the farm by the hardships attending the transformation already described, came to New York city and was soon a Utopian socialist and the President of the New York Typographical Society, the trades union forerunner of "Big Six." Due to this separation of sympathies, interests and aspirations, there arose in the second quarter of the nineteenth century a more conscious recognition than ever before on the part of the American working class, that they were a distinct portion of the community, with interests opposed to those of other classes and calling for class action. This recognition tended to hasten the growth of trades unions, which first began to appear in a sporadic manner in 1795. Trades unions now became more permanent, comprehensive and numerous. Organization on an interstate as well as a local basis also sprang up; as did the union of many trades through delegate bodies, or what are now called, central labor-unions. Strikes for more wages and less hours were waged and won with increasing frequency and clearness of purpose. And so, by the same process of reasoning from cause to effect, the mutual sympathies, interests and aspirations of the capitalists, called for offensive and defensive action on their part. Prof. Richard T. Ely, in his book, *The Labor Movement in America*, cites an instance of where "A combination of merchants in Boston pledged themselves to drive the shipwrights, caulkers and gravers of that city to submission or starvation, and subscribed \$20,000 for that purpose." This was in the early 30s of the nineteenth century.



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### TRADE UNION REPRESSION AND POLITICAL ACTION.

From the same historical source we learn that strikes were rigorously suppressed through the enforcement of the old English anti-combination laws, which punished mechanics who combined to improve their conditions, as conspirators against the welfare of society. As is usual, in such cases, this meant the welfare of the capitalists, for, if ever conditions justified combination and revolt, those in vogue in the period under consideration, certainly did. Prof. Ely, summarizing the investigations of Seth Luther and others, finds that hours in the cotton mills were frightfully long, ranging from thirteen to fifteen a day. The regulations in the mills at Paterson, N.J., required women and children to be at work at half-past four in the morning. Company boarding houses were the rule, thus making possible the control of employes in and out of the mills. The women and children were urged on with cowhides and billets of wood. "A case of rebellion on the part of one thousand females on account of tyrannical and oppressive treatment is mentioned." A boy at Medon, Mass., drowned himself in a pond to escape factory labor. In the industrial centers, especially of New York, New Jersey, Connecticut, Pennsylvania and Massachusetts, it was a period of wage-slavery with a vengeance, worthy of the biting scorn heaped upon it by the degenerate upholders of negro-slavery.

In view of the preceding facts, it is no wonder that "The New England Association of Farmers, Mechanics and Other Workmen," represented by thirty delegates, met in Boston on September 6, 1832, to consider, among

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other things, the ten-hour work day; the effects of banking and other monopolies; the improvement of the educational system; imprisonment for debt; the extension of the right of suffrage in those states where it was restricted (for, in the previous decades of the nineteenth century, many states had extended the suffrage to the working class, thanks to the influence of Western democracy); and a lien in favor of journeyman mechanics. Nor is it amazing that the convention should advocate "the organization of the whole laboring population," as a step towards a remedy of the evils complained of by it. It would have been more amazing if, under the circumstances, they would have failed to see the necessity of such a course. Likewise, the creation of a Workman's party in New York state in 1830, eight years after the granting of the suffrage, appears perfectly logical; and so does the capitalist fear of it; the Whig politician, Thurlow Weed, regarded this party as a danger, which, in his very expressive language, "was put down after an existence of a single year." Slogans such as "Down with monopolies, especially the United States bank" (which was the governmental financial breeder and concentrator of all other monopolies), were heard; while there also arose, for the first time in the history of the country a demand for "the abolition of chattel slavery, and of wages slavery." This was later, in 1833, backed by a vigorous maintenance of the right of laborers to combine for the protection and advancement of their mutual interests and aspirations.

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### DESTRUCTIVE AND CONSTRUCTIVE WRITINGS OF EARLY AMERICAN REVOLUTION.

But most logical and reasonable of all, under the circumstances attending this great historic social period, are the destructive and constructive writings of George Henry and Frederick W. Evans, brothers; Stephen Simpson, Samuel Whitcomb, Jr., Robert Owen and his son, Robert Dale Owen; Frances Wright, Seth Luther, L. Byllesby, Thos. Skidmore, Parke Godwin, Horace Greeley, Albert Brisbane, Orestes Augustus Brownson, George Ripley, and others too numerous to mention. These breathed the revolutionary spirit of the first great epoch in the American working class movement; and reflected the stupendous industrial transformation of which the latter was born.

Let us, in order that we may get an insight into them all, quote from the writings of two of them, Brownson and Skidmore, who, in their widely divergent tendencies, may be said to embrace those of all their contemporaries. First note Brownson, a famous writer and friend of the distinguished men of his time; born in Vermont in 1803; died in Detroit, 1876. The passages here given are from his book *The Convert*, published in 1857 and reprinted in part in Vol. VI of the *A Library of American Literature*, under the heading "Some Practical Democracy." Brownson was converted by Owen in 1840; and it was at that time that he began to endeavor to make his economic square with his political democracy, only to meet the opposition of his great friends for his pains. He wrote: "Starting from the Democratic theory of man and society, I contended that the great, the mother evil of

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modern society was the separation of capital and labor; or the fact that one class of the community owns the funds, and another and a distinct class is compelled to perform the labor of production. The consequence of this system is, that the owners of capital enrich themselves at the expense of the owners of labor. The system of money wages, the modern system, is more profitable to the owners of capital than the slave system is to the slave-masters, and hardly less oppressive to the laborer. The wages, as a general rule, are never sufficient to enable the laborer to place himself on an equal footing with the capitalist. Capital will always command the lion's share of the proceeds. It is seen in the fact that, while they who command capital grow rich, the laborer by his simple wages at best only obtains a bare subsistence. The whole class of simple laborers are poor, and in general unable to procure by their wages more than the bare necessities of life. The capitalist employs labor that he may grow rich or richer; the laborer sells his labor that he may not die of hunger, he, his wife, and little ones; and as the urgency of guarding hunger is always stronger than that of growing rich or richer, the capitalist holds the laborer at his mercy, and has over him, whether called a slave or a freeman, the power of life and death."

Brownson was not deceived by any fictitious "equal freedom" or "right of contract." He saw that the laborer is only free to sell his labor or starve; and that his "right" extends no further.

Nor is Brownson deceived by the fraudulent cry that every man who works for wages may become a capitalist; though that was more a possibility in his day than ours. Says he, on this head: "Poor men may indeed become

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rich, but not by the simple wages of unskilled labor. They never do become rich, except by availing themselves in some way of the labor of others." Thus Brownson recognized that there can be no capitalists without laborers, and that to say that every workingman may become a capitalist is to indulge in utopianism of the worst kind.

Brownson continues: "To remedy these evils, I proposed to abolish the distinction between capitalists and laborers, by having every man an owner of the funds as well as the labor on a capital of his own, and to receive according to his works. Undoubtedly, my plan would have broken up the whole modern commercial system, prostrated all the great industries, or what I called the factory system, and thrown the mass of the people back on the land to get their living by agricultural and mechanical pursuits. I know this well enough, but this was one of the results I aimed at. It was wherefore I opposed the whole banking and credit system, and struggled hard to separate the fiscal concerns of the government from the moneyed interests of the country, and to abolish paper currency. I wished to check commerce, to destroy speculation, and for the factory system, which we were enacting tariffs to protect and build up, to restore the old system of home industry."

From this it will be seen that, while Brownson was socialistic in his criticisms of embryonic American Capitalism, he was reactionary in his final aims; he would turn back, instead of going forward with industrial evolution, much after the manner of the modern populists and trust-busters.

Skidmore differed from Brownson in that he favored going ahead, much after the method of the modern

communists. A New York citizen of means, according to Charles Sotheran's *Pioneers of American Socialism*, he wrote a book in 1827, with the very significant title, *The Rights of Man to Property*, in which he argued that men should be compelled to live on their own labor and not the labor of others. The inequalities of private property are born of the fact that some men live on the labor of others; a fact which these inequalities, in turn, tend to perpetuate. Applying his communistic doctrines to the property conditions created by the progress of Capitalism in his day, Skidmore said:

“The Steam Engine is not injurious to the poor, when they can have the benefit of it; and this, on supposition, being always the case, it could be hailed as a blessing. If, then, it is seen that the steam engine, for example, is likely greatly to impoverish, or destroy the poor, what have they to do, but to lay hold of it, and make it their own? Let them appropriate also, in the same way, the cotton factories, the woolen factories, the iron foundries, the rolling mills, houses, churches, ships, goods, steamboats, fields of agriculture, etc., etc., etc., in manner as proposed in this work, and as is their right; and they will never have occasion any more to consider that as an evil which never deserved that character; which, on the contrary, is all that is good among men; and of which we cannot, under these new circumstances, have too much.”

So much for the first great epoch in the American working class revolution. Let us proceed.

## CHAPTER IV.

### THE CIVIL WAR AND THE TRIUMPHANT CORPORATION.

The period of inauguration once passed, the power of the corporation grew with immense rapidity. It became a factor in all branches of industry, transportation and exchange. As each of the new territories in the West was opened, and went through all the stages of rapid development from barbarism to civilization peculiar to newly-found lands in modern times, the corporation followed. In some instances, as in the case of the railroad, it practically led the migration over the course taken by the star of Empire, and dominated the situation from the very outset. The corporation, however, did not reach its full powers until after the Civil War. The successful conclusion of this great event saw the corporation so strongly enthroned that Lincoln is said to have shuddered for the future safety of the country when contemplating it. Prior to the Civil War, chattel slavery and Capitalism were incidental to the opening up and development of the West. The latter was the great factor that sustained and gave free play to both. Chattel slavery especially had to have abundant land, on which to expand and make profitable its peculiar institutions and insure the political dominance on which they rested. But with increasing land constriction there came increasing conflict between the two systems, resulting finally in the overthrow of chattel slavery. With chattel slavery eliminated, and the frontier practically gone, Capitalism rapidly gained the ascendancy. Its upward flight, however, was not an uninterrupted one, being

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savagely contested by a long train of anti-monopoly, granger, greenback, land, populist, free silver, anti-trust and labor movements, some of which extend back to the earliest periods of American evolution, and all of which revolted, or are still revolting, against the supremacy of Capitalism, and have sought, or are still seeking, to curb or overthrow it.

For a complete understanding of the triumph of Capitalism two things are requisite: one is an idea of the march of invention; the other, the enormous capital demanded by it, together with the tremendous power this capital bestowed. Following the inauguration of the modern industrial system, there came the steamboat, railroad, telegraph and printing press of the modern type, each requiring for its exploitation a larger aggregation of capital and labor than was theretofore the case; thus forcing more emphatically the development of the corporation and separate economic classes. At the same time, all these inventions and developments were inimical to the safety of chattel slavery. Each was a breeder of abolition and confiscation in that they made possible the creation and exploitation of more intelligent, profitable and aspiring labor, as well as a more powerful competing and dominant class, than did chattel slavery. As a consequence, the slave oligarchy instinctively opposed the building of railroads and cotton mills, as well as the spread of education, in its territory. In a word, it prevented the increase of capital, apart from land and slaves, as well as the culture, consumption and liberty of its labor forces, in the slave states, and endeavored, in a spirit of enforced self-preservation, to impose the same conditions in new territory outside of them. The result was that progress, together with the



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power and triumph that it contains, was made the prerogative of the capitalist class. The capitalist class, backed by the past fruits of the factory system, the steamboat, railroad and printing press, together with the prospective hoards of untold wealth that would ensue from their unhampered development, was enabled to raise colossal war loans, construct a big army and navy and crush secession, by confiscating and abolishing chattel slavery. At the same time and with the same means the capitalist class more firmly entrenched itself in the saddle of government, with a generosity to itself that soon became scandalous; and that has ever since been a standing menace to the welfare of the nation. But of this more anon.

### AN UNSURPASSABLE GENERATION AND—THE TRUST.

Following the Civil War there came a generation which, in the eloquent language of David A. Wells' *Recent Economic Changes*, was "second to very few, and perhaps to none of the many similar epochs of time in any century that preceded it." In this generation it appeared as if the long mechanical evolution of the race had reached the consummation devoutly wished for by its predecessors. Man's mastery over nature grew immensely, owing to the increased productivity of labor-displacing machinery, coupled with the application of the co-operative principle to both capital and labor. This resulted in stupendous economic changes, especially in this country, which, freed of the incubus of chattel slavery, leaped forward among the nations of the world, with great bounds. Touching upon the achievements of labor-displacing machinery, Wells could say in 1889,

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“the displacement of muscular labor in some of the cotton mills of the United States, within the last ten years, by improved machinery, has been from thirty-three to fifty per cent., and the average work of one operative, working one year, in the best mills of the United States, will now, according to Mr. Atkinson, supply the annual wants of 1,600 fully clothed Chinese, or 3,000 partially clothed East Indians. In 1840, an operative in the cotton mills of Rhode Island, working thirteen to fourteen hours a day, turned off 9,600 yards of standard sheeting in a year; in 1886 the operatives in the same mill made about 30,000 yards working ten hours a day.” That is to say, despite the thirty-five to fifty per cent. displacement of labor, there was, in round figures, an increase in production amounting to 320 per cent., thanks to the triumphs of the mechanical evolution of the race. As to the application of the principles of co-operation to capital, Wells quoted the following from British sources as germane to American conditions: “Trade after trade is monopolized, not necessarily by large capitalists, but by large capital. . . . The little men are ground out, and the littleness that dooms men to destruction waxes year by year.” This was vividly illustrated in the decrease of flour mills from 25,079 in 1884 to 18,267 in 1886, with an increase, at the same time, in the amount of production. The vice-president of the “National Millers’ Association,” at its annual meeting at Buffalo, June, 1888, was greatly alarmed by this condition of affairs. “A new common enemy,” he declared, “has sprung up, which threatens our property with virtual confiscation. . . . the thousand-barrel mill of our competitors has been put in the shade by the two-

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thousand barrel mill of our own construction. . . . As our glory increased our profits became smaller, until now the question is not how to surpass the record, but how to maintain our position and how to secure what we have in our possession." This was quite logical. As in the transformation from agriculture combined with handicraft to machine industry and the factory system, improved machinery and concentration were again producing commodities with less socially-necessary labor than before, thereby causing exchange values and prices to again topple downward, helping to bring on the panic that raged from 1873 to 1889, and making consolidation and combination a necessity, in order that ruin and confiscation may be avoided. It was during this period, and amid these conditions, that the trust movement was born.

It is an impressive commentary upon the rapidity of American industrial development that the first trust was evolved in this country just eight decades after Alexander Hamilton delivered his famous report on manufactures. And that by men who promoted and profited from his political and economic doctrines, as enacted into the national legislation of the land, through the instrumentality of the Republican party—the political expression of the ultra-capitalist class. The first trust was the Standard Oil Company, formed in Cleveland, Ohio, during the year 1873.

Postponing to another portion of this paper, a consideration of the effects of the co-operative principle on labor, as pointed out by Wells and other writers of the period, let us go a little more into its compulsory application to capital,—into a further consideration of the all-important trust question.

## CHAPTER V.

### TRUSTIFICATION AND INTEGRALIZATION.

In the consideration of the origin of the corporation, in the preceding pages, it was shown that, from an economic standpoint, a corporation is an amalgamation of small capitals; and so, from the same point of view, must it be said that a trust is an amalgamation of large corporations. It is a development of capital on a higher plane of evolution, established to make confiscation by competition avoidable, while making it all the more possible by monopoly. From a legal standpoint, we saw that a corporation is an “artificial person” devised to perpetuate certain personal rights; so, from the same standpoint, must it be said that a trust is originally an artificial corporation devised to perpetuate certain corporate rights—a trust is originally a holding company which is invested with the voting power and ownership of the constituent corporations, just as a trustee in real estate nominally owns and controls property for the various actual owners thereof. It is originally a legal fiction, devised, like most legal fictions, to promote robbery on a higher and greater scale. It is this trustee feature that gives the trust its name; and that also leads many to believe that the trust is simply a creature of the law, instead of a creator of the law—not statute,—nominal,—but real law; the law by which production and distribution and all that depend thereon, are carried on and enforced. In its latter development, the trust is a consolidation minus the holding company. It then stands forth without the deceptive legal feature

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which blinds so many of its opponents. Thus a trust may be said to be an amalgamation of large corporations tending to form a monopoly; regardless of its legal form.

It was the necessity of avoiding confiscation via overproduction and competition, due to invention, that forced the amalgamation of corporations into trusts; just as, in a previous epoch, the necessities of invention and industry, in competition with combined agriculture and handicraft, forced the amalgamation of small capitals into the corporation. The corporations were forced to dominate and restrict production—they had to restrain “the beneficent laws of supply and demand,” in order to avoid a surplus of commodities and their own confiscation by competitors. “Rebates,” “railroad rate discrimination,” “restraint of trade,” and all the grievances of anti-trustism, reflect the expedients that the self-preservation of capital from competition and confiscation have rendered necessary. To abolish them and restore competition, would simply mean to compel the resuscitation of the same devices under more euphonious names and insidious forms. In a word, it means reaction.

### GREATEST OF TRUSTS SUBSTANTIATES ECONOMIC ORIGIN THEORY.

The greatest of modern trusts is the United States Steel Corporation. In its development we have a further substantiation of the argument regarding the competitive origin of the trust; also a history of the development of the trust from its very inception. The main constituent of the United States Steel Corporation is the Carnegie Steel Company. This company began in

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1865—during the Civil War—as the Union Mills Company. Formed of the Kloman, Phipps, Carnegie co-partnership bearing that name, and the Cyclops Iron Co.—a rival concern—the Union Mills Co. was both a type of the industrial transition of the time and a forerunner of modern consolidation. The Union Mills Co., with its half-million of capital evolved into the Carnegie Steel Co., with its half-billion purchase price, paid by the U.S. Steel Corporation. The history of the Carnegie Steel Co. is the history of one consolidation after another, forced by bankruptcy, invention and competition, fostered by governmental and railroad protection and patronage, at first; and deliberately entered into later on, when the tendencies and the principles underlying consolidation had forced themselves upon the men in control of the company. This did not occur, despite the wonderful intuition and foresight generally accredited to the capitalist class until the decade 1890–1900. Furnaces, rolling mills, finishing mills, bridge, trolley, ore, coke, coal, lake transportation, railroad, gas, bank, land, building, and other corporations, many of them giant consolidations themselves, were gobbled up and welded into the half-billion dollar corporation. Finally, as if to cap the climax, this colossal consolidation is itself swallowed up in the same manner and owing to the same causes. By threatening the competitive destruction of ten other iron and steel corporations, which, like itself, enjoyed governmental and railroad protection and patronage, and were the consolidations of equally multifarious companies, the Carnegie Steel Company compelled the formation of the greatest of trusts—that consolidation of consolidations—the one-and-a-half-billion dollar United

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States Steel Corporation, commonly called the steel trust. It was a question of combine or be ruined; and the Wall Street financiers, headed by J. Pierpont Morgan, who held the stocks and bonds of the eleven steel and iron corporations, decided, in view of the great panic that might follow a ruinous competitive war, that it was better, despite "the beneficent outworkings of competition," to feast upon the more substantial returns of combination. The results have since demonstrated the enforced wisdom of throwing orthodox economics to the winds; and applying those of industrial evolution instead. As Marx says, each stage of production produces its own laws.

### DEPARTMENTIZED INDUSTRY AND THE HIGH FINANCIERS.

The Steel Trust (and when we say the steel trust, we practically say all the trusts), has carried the principle of consolidation into every branch of production and distribution necessary to its success, from the supply of the raw material to the delivery and erection of the finished product. These branches are organized into highly centralized departments, each under the control of executive and technical staffs, recruited from the technical schools of the world and the rank and file of the workers. In these branches, the economics of closely ramified industry, combined with the scientific division and manipulation of labor and material, and the continuous invention of new and improved mechanical aids, have attained great perfection, as is evidenced in the ever-decreasing cost of production and the ever-increasing output. Below the executive and technical staffs are the 168,000 employes of every degree of

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mental and manual skill; and over all is the board of directors. The board of directors take no part in the direct production of wealth, but leave all the functions of superintendence, invention and execution to the workers of all grades below, being even dependent for guidance and their ability to act as directors upon the expert reports of the latter. The board of directors of the steel trust (and of all the modern trusts) constitute that peculiar product of modern industrial life, the high financiers, who, unlike the early capitalists, perform no direct labor in corporations, but view all industries from the standpoint of profit, leaving their actual operation to the highly trained and highly organized subordinates, who are developed by industrial evolution and hired at wages determined by the supply and demand of labor. The trust movement has thus come to be a financial movement led by financiers, whose source of power is the wealth stolen from the workers who make the actual operation of the trust possible. The high financiers controlling this movement are, consequently, parasitic; and, through their enormous wealth and power, combined with their corrupting and degenerating tendencies, constitute a menace to civilized society; of which the press daily produces abundant evidence.

### FROM TRUSTIFICATION TO INTEGRALIZATION—THE RESULTS.

From trustification to integralization, is an easy step; in fact, the one originates in the other. The trustified capitalists are compelled by the stupendous size of their capital to buttress it up on all sides, from destructive attack; the more stupendous the size, the more keen the necessity for the buttressing, for the more vicious is the



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attack likely to be, as may be observed in the struggle for the control of the big insurance companies. Just as the corporation, acting in accordance with the necessities of industrial evolution, amalgamated small capitals, and the trust, in turn, amalgamated large corporations, so does integralization amalgamate the mammoth trusts. It is the latest stage in the evolution of capitalist exploitation; the acme of the capitalist robbery of social labor. Through integralization, the trusts are mutually owned, aided and directed. For instance, the Steel trust owns stock in and does its transatlantic shipping via the Shipping trust, and is well represented on its board of directors. So also, the banks and insurance companies own stocks in the trusts, and act as their repositories and financial backers, with representation on their boards of directors, and vice versa. To conceive of integralization at its fullest development, glance at the first board of directors of the Steel Trust. It consisted of Rockefeller, Field, Gary, Moore, Frick, Cory, Peabody, Steele, Weidner, Jas. H. Reid, Edenborn, Morgan, Rogers, Perkins, Ream, Griscom, Daniel G. Reid, Rockefeller, Jr., Clifford, Bacon, Thayer, Gayely, Schwab and Converse. These twenty-four men represented 200 other corporations, and about one-tenth of the then estimated wealth of the country. Stuyvesant Fish, president of the Illinois Central Railroad, in the spring of 1906, showed that ninety-two capitalists held 1,439 directorships. John Moody, in his exhaustive and authoritative work, *The Truth About Trusts*, after showing that there are 400 trusts in this country, controlling one-fifth of its wealth and that the most important—the strategic portion—such as the natural resources, railroads, basic

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industries, banks, etc.—concludes that a score of men practically control these twenty billions; in brief, they are the country's overlords and supermen. Thus does capitalist integralization result in the domination of a few, and the dependence of the many.

### WHAT IS THE OBJECT OF INDUSTRIAL EVOLUTION?

Let us pause to ask what is the object of all this, from the standpoint of Capitalism? In answer, let us quote a passage or two from James H. Bridge's *The Trust: Its Book* (Bridge is also author of *The History of the Carnegie Steel Company*, from which the facts on the company given in preceding pages were taken). Says Bridge, in his introductory to the first-named work:—

“There is a term in the complete definition of the law of evolution which has not been adverted to. . . . This final term is the ‘concomitant dissipation of motion.’ Translated into every day phraseology, this means a diminishing waste, a less frequent slipping of the cogs, the avoidance of needless multiplication of activities. And here is where the centralization of capital, the decay of destructive competition, the protective combination of all the factors of production are shown to have their place in the great chain which links us to the past. Here is where co-operation arises, with its attendant economics, to complete and round off the great development which has taken us thousands of years to reach. . . .

“Here then we get an indication of the lines along which future economic development will take place. The movement towards co-operation, towards the elimination of unintelligent competition, towards the peaceful

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alliance of labor, capital and brains, towards the increasing centralization of industry which is the pronounced characteristic of American life—this movement being in harmony with the laws underlying all progress, is destined to extend until it covers the whole world, or until it emerges into a new and better phase of society.”

The same thoughts are stated more concisely, comprehensively and in accord with the actual facts, from a socialist standpoint, by Daniel De Leon, in his short article in *The Independent* entitled “[The Trust.](#)” What De Leon says of the Trust, can be said of integralization, or all the trusts combined. De Leon asks “What Is the Trust?” and answers

“The trust is essentially a tool of production. . . .

“The trust is that doubly developed instrument of production that combines both the highest individual and the highest collective development so far reached. It brings the productivity of human effort up to the highest point so far attained by the individual perfection of the tool. As such, the trust raises man to giants stature over nature; it is a weapon that makes for civilization.

“But that is not the whole truth.

\* \* \* \* \*

“The ladder upon which mankind has been climbing toward civilization, the evermore powerful tool of production, is the storm center around which the modern social storm rages.

“The capitalist class seeks to keep it for its own exclusive use.

“The middle class seeks to break it down, thereby throwing it back.

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“The proletariat seeks to preserve it and improve it,  
and open it to all.”

How?

Let us see.

## CHAPTER VI.

### THE MODERN CLASS STRUGGLE.

Let us retrace our steps back to the first revolutionary epoch in American industrial history; and from thence resume the thread of the narrative regarding the development of the class that is at once the greatest supporter as well as the greatest antagonist of Capitalism—its Atlas as well as its Nemesis—the working class. A great movement, enlisting the greatest minds of the country in the solution of social problems, the great promises held forth by this early revolt did not materialize. The great agitation attending it was unsuccessfully spent, and Capitalism continued on with greater force. To the uninformed the dissipation of this early revolutionary wave may appear inexplicable. But there is nothing mysterious about it. There is no reason why this movement should have succeeded; while there are many reasons why it could be nothing more than a temporary sputtering of embers that were long to smolder and then burst forth with a more persistent glow. In the first place, a very small percentage of the population was affected by early industrial conditions. Karl Marx quotes with keen relish, in *Capital*, an English economist, E.G. Wakefield, who, in 1833, stated that “In the Northern States of the American union, it may be doubted whether so many as a tenth of the people would fall under the description of hired labourers.” The bulk of the people were not yet among the expropriated laborers; without whom both Capitalism and Socialism are impossible. The opening

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up and development of the country was still the great social and economic work; so that the workingman of that day could and would become the settler of the morrow. The result was whole states in which primeval conditions of independence prevailed, remote from the enslaving effects of Capitalism; that, as in the case of the conflict between Western democracy and Eastern federalism, combatted and modified them down to a late day. In the second place, the discovery of gold in California caused an exodus from the congested centres of the northern states just as the discovery of America had caused an exodus from the overcrowded portions of Europe. This gave a great impetus to western immigration that was felt all over the country, bringing on an era of railroad building, internal development, speculation and prosperity that was epochal in character. The first revolutionary industrial wave suffered a climax about the time of the California discoveries. In the third place, the question of the retention or abolition of chattel slavery was becoming an all-absorbing one. In the increasing conflict between slave labor and "free" labor, the fact became clearly apparent that the nation could not be half of one and half of the other. A hybrid social system in which the original elements flourish with equal persistence is not conceivable; it is only possible where one characteristic dominates the other, as in England, where Capitalism dominates the hereditary relics of feudal government; or in this country where many forms of prehistoric Communism, like the parks, linger alongside of the over-towering trusts. And so it was recognized that the slave question must be settled before progress was definitely possible; and men took sides accordingly. Compromises

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were effected, only, as is usual, in great crises, to aggravate the situation. Abolition was proposed and denounced as too heroic. Finally, with the fatality that pursues all doomed social factors, the slave oligarchy, defeated in Kansas, in its efforts at territorial expansion—on which its supremacy depended—seceded, and was crushed in consequence. In this crisis, the fact was borne home that the union must be one and indivisible; and that if it were two it would be divided and divisible; that is subject to mutual antagonisms and the piece-meal subjugation of more powerful nations, both of which were likely to reduce the nation to its former status of a colony and obstruct the capitalist development of the country. This situation could not be (and, fortunately, was not) tolerated. Into this struggle, the early revolutionary elements entered with commendable foresight and spirit. As already shown they had advocated the abolition of chattel slavery and wages slavery, thirty-five years before the former was actually accomplished. Thus it came about—through the general unripeness of the times—that the first great revolutionary movement in the industrial history of this country, came to be more of a reflex of great economic transformations than a solvent of the problems which they then raised.

### RISE OF THE MODERN LABOR MOVEMENT.

But, it must not be assumed that because of these stupendous factors, this first great revolutionary movement was entirely destroyed; for despite them, such were the conditions where Capitalism was established, and the people were “hired laborers,” that trades

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unionism slowly evolved. It struggled for and accomplished much in the way of increasing wages, improving conditions and reducing hours; in addition to which, it rose to a higher—a national plane. In 1850, the National Typographical Union was formed, five States, New York, New Jersey, Pennsylvania, Maryland and Kentucky being represented. In 1854, the Hat Finishers wheeled into line; with the Machinists and Blacksmiths, Iron Molders, and others following in 1859. Prof. Richard T. Ely, in his book *The Labor Movement in America*, says, “It is stated that twenty-six trades had national organizations in 1860.”

However, it was only after the Civil War that trades union organization began in earnest; and the modern labor movement may be said to have had its beginnings. In 1864, the Brotherhood of Locomotive Engineers and Cigar Makers’ National Union, now the International, were formed; in 1865, came the Bricklayers and Mason’s International Union; in 1868, the Conductor’s Brotherhood; in 1869, the Knights of Labor; in 1873, the International Furniture Workers and the Amalgamated Association of Iron and Steel Workers were added to the list; in 1875, the Brotherhood of Locomotive Firemen; in 1877, the Granite Cutters’ National Union; in 1881, the Brotherhood of Carpenters and Joiners; in 1882, the Cigar Makers’ Progressive Union; in 1884, the Railroad Brakemen; in 1885, the foundations of the United Mine Workers were laid; while in 1881, was started the American Federation of Labor. Many others might be added; but this includes the most important of the labor organizations formed in the post-civil war period. It was during the post-civil war period, in the latter sixties and early seventies that working class political action, both



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conservative and revolutionary, was again revived.

### CAUSES OF RENEWED VITALITY IN LABOR MOVEMENT—THE UNEMPLOYED.

The cause of this renewed vitality was not far to seek. As the Civil War, aided by the wonderful resources, actual and prospective of Capitalism, had enthroned the latter, so also had it aided in developing the working class and its organizations. The war, by necessitating the accumulation of vast war loans aggregating three billions of dollars, and the creation of large plants for the production of vessels and military supplies of all kinds, had made the concentration of capital a requisite to its success; so also had it made the industrial and military mobilization of men—the laborers generally,—a necessity for the same purpose. The result was that at the conclusion of the war, the financial and corporate interests of the country were well massed, while the nucleus of the present permanent army of the unemployed was turned loose upon the disbandment of the opposing hosts. Of the entrenchment of capitalist interests in this country, subsequent to the Civil War, we shall soon have ample evidence; the army of the unemployed will concern us at present.

According to Moody's *Land and Labor in the United States*, 1860 found the country suffering from the panic of the year 1857, which was unusually severe. "Overproduction" and unemployment were the rule. But upon the advent of the war all this changed. "All the idle men in our country were quickly brought into government service. . . . The result was that the large stocks on hand quickly disappeared before the

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consumption of our masses. . . . This general and active consumption created an immense trade and traffic of every nature, giving activity and prosperity to every interest." With the disbandment of the warring forces, however, all this changed—then the obverse side of the medal was brought into view. Says Moody, "When the war closed three and one-half millions of men and women in the North alone, who had been employed in the armies, and in their support, were thrown out of employment and into idleness. It was at this point, when this great deluge of idleness came upon us, that our difficulties (the panic of 1873—J.E.) began." The marvelous mechanical achievements, so glowingly extolled by Wells, also contributed their results to the unemployed situation. Moody calculated that in 1875, there were no less than 200,000 unemployed in the state of Massachusetts, which was then one of the most highly developed industrial states of the Union.

### THE POLITICAL DOMINATION OF LABOR.

As said before it was during this period that the corporate interests of the country attained the zenith of their control, making of labor a political as well as an economic slave; thereby driving the members of the working class ever closer together. Of this political and economic domination much can be said; but a few striking instances will suffice to illustrate.

In 1873, the Massachusetts Bureau of Labor, in its fourth annual report, had this to say regarding the corporations and political domination:

"Legislation at present is almost devoted to the purposes of aggregated wealth, whether in the form of

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railroads, of manufactures, or numerous other monetary interests. The time of legislatures, national and state, is occupied almost exclusively with the considerations of questions how to increase the facilities by which capital may be accumulated, while very little time or thought is given to the question how the laborer can, by lessened work-time and increased means achieve that education which shall elevate him to a truer manhood."

That this was no ill-natured complaint, or an unfounded criticism, may be judged from the Congressional land grants to railroads up to June 30, 1880. According to Moody's *Land and Labor in the United States*, these aggregated 255,000,000 acres; "or about fifty million acres less than" the thirteen original states of the union: New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North and South Carolina, and Georgia. Here was land sufficient for a half-dozen European empires given away; most of it fraudulently. Moody characterizes the transaction as "the gift of the government by the plunder of the people." He held that "This monstrous exhibition of our government fatuousness, or corruption, will become the wonder of the nations, and pass into history as the monster fraud of the century." One of the results of this corrupt legislation was to destroy the beneficent effects of the Homestead land act; and give rise to many land scandals and wars, some of which are now being thrashed out, to the consternation and demoralization of the country. Thus did Capitalism triumph politically. Economically it was the same.

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### LABOR'S DEPENDENCE INCREASES.

Dwelling upon the effects of concentration upon labor during the generation following the Civil War, David A. Wells, who has already been referred to and whom we promised to consider in this connection, said in 1889:

“Co-incident with and as a result of this change in the methods of production, the modern manufacturing system has been brought into a condition analagous to that of a military organization, in which the individual no longer works as independently as formerly, but as a private in the ranks, obeying orders, keeping step, as it were, to the tap of the drum, and having nothing to say as to the plan of his work, or of its final completion, or of its use and distribution.”

Other writers, notably the Rev. Dr. Heber Newton, in his *Social Studies*, published in 1886, presents the same ideas a little more specifically and fully, in these words:

“The whole condition of industrial labor has changed in our country. Contrast the state of such labor a century ago with what it is now. Then the handicraftsman worked in his own home, surrounded by his family, upon a task whose processes he had completely mastered. He had thus a sense of interest and pride in his work being well and thoroughly done. Now he leaves his home early and returns to it late, working during the day in a huge factory with several other men. The sub-division of labor gives him only a bit of the whole process to do, where the work is still done by hand, whether it be the making of a shoe or a piano. . . . He sees no product of his skill growing into finished shape in his hands. . . . Steam machinery is slowly taking out of his hands even this

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fragment of intelligent work. . . . Man is reduced to being the tender of a steel automaton, which thinks and plans and combines with marvelous power, leaving him only the task of supplying it with the raw material, and of oiling and cleaning it.”

Newton further observes:

“The factory system is a new feudalism, in which no master deals directly with his hands. Superintendents, managers and ‘bosses’ stand between him and them. He does not know them—they do not know him. The old common feeling is disappearing. . . . A further aggravating feature of this problem is the increasing tendency of capital to associated action. What little knowledge of his employes or sympathy with his employes the individual manufacturer might have is wholly lost in the case of a corporation. To the stockholders of a great joint-stock corporation, many of whom are never on the spot, the hundreds of laborers are simply ‘hands’—as to whose possession of hearts or minds or souls the by-laws rarely take cognizance.”

### EVEN FARMING AFFECTED.

Even farming did not escape the wonderful mechanical inventions and concentration of this wonderful era. Moody, dwelling on the effects of machinery, large capital and acreage in farming, shows that they have given rise to tenantry, bankruptcy, emigration to the cities, and a condition analogous to the factory system, as above described. Said he, in 1883, on the latter point:

“Fifty years ago the bonanza farm was unknown. Then there were no huge tracts of our best lands

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cultivated without a family roof-tree upon its whole extent—without woman or child, or other indication of home; where for a portion of the year were to be found laborers only, under the eye of an overseer, himself a hireling, with cattle and machinery; and where, for the remainder of the twelve months the human cattle were not permitted to remain but were driven forth, and the quadrupeds only, with the machinery, were kept and housed and cared for by the least number of laborers that were able to do the work. But these monster estates are now numbered by tens of thousands.”

### PRICES SOAR HIGHER THAN WAGES.

One more illustration of the complete political and economic subjugation of the working class during this period, and then we shall conclude under this head.

During the very generation whose marvelous inventive achievements and wealth productiveness David A. Wells extolled so eloquently, Carroll D. Wright, in *The Princeton Review* for July, 1882, said, that from 1860 to 1878 there was an average increase of wages of 24.4 per cent., and of prices 14.9 per cent., that from 1878 to December, 1881, there was an average annual increase of wages of 6.9 and in prices an average increase of 21 per cent.; and that covering the whole period of twenty-one years there was an increase in wages of 31.2 per cent., and in prices of 41.3 per cent. In other words between 1860 and 1881, the former “a dead level,” the latter a year of “general prosperity,” the workingman had suffered a reduction of 7.2 per cent. in purchasing power, despite the fact that his productive abilities had been increased many hundredfold by

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marvelous machinery. It was during this period that the foundations were laid for the billionaire-producing trust, and the modern labor movement was revived.

Thus it was that the labor movement again took deeper root and flourished once more. With the political and economic domination of the capitalist class, with its host of evils, such as lack of legislative relief or assistance, unemployment, destruction of skill and small farming, loss of independence, reduced purchasing power, concentration in large establishments, alienation of employer and employe, and the corporate tendency to widen the chasm between capitalist and laborer, confronting them, the members of the working class were once more made conscious of the fact that they had interests separate and distinct from those of other classes of the community; and once more, as a result, did the mutual sympathies and aspirations arising therefrom tend to hasten and strengthen common action among them. The labor movement fluctuates, but never dies; its apparent demise is the lull that precedes a more vigorous growth.

## CHAPTER VII.

### THE KNIGHTS OF LABOR.

Especially was vigorous growth the case with the Knights of Labor, with which the modern national labor movement may truly be said to have begun. The Knights of Labor was organized in Philadelphia on Thanksgiving Day, 1869, by Uriah Stephens, a tailor who is reputed to have been influenced in his work by the *Communist Manifesto*. The Knights of Labor was a secret organization, composed of local assemblies, controlled by district assemblies, a general assembly and a master workman. The Knights of Labor sought to unite every branch of skilled and unskilled labor. To this end, centralization of power was deemed indispensable and essential. The Knights of Labor motto was "An injury to one is the concern of all"; its method the sympathetic strike and boycott by all for one and one for all.

The Rev. T. Edwin Brown, in his *Studies on Modern Socialism and Labor Problems*, published in 1886, says of the Knights of Labor: "This was a secret, though, it is said not an oath-bound society. Its aim is broader than that of the trades unions. It believes that the interests of labor are common interests, and that the alliance of one trade with other trades is an alliance not entangling but helpful. It admits women to membership. It excludes only lawyers, bankers, professional gamblers, stock jobbers, and those who, in whole or in part or through any member of their family, make their living by the manufacture or sale of intoxicants. It affiliates with labor unions and makes their cause its own, though it



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does not directly control them. Its National Assembly at the last two sessions contained delegates whose occupations embraced medicine, the pulpit, journalism, teaching, manufacturing, trading, and many of the skilled and prominent trades and handicrafts.\* It has assemblies in almost every state, in the Canadas, in England, Scotland, Belgium, and France. The window-glass workers of this country, England and Belgium are a constituent part of the Order. It has now more than five thousand local assemblies in the United States."

Prof. Richard T. Ely, in his *The Labor Movement in America*, makes these statements regarding the Knights of Labor: "Those who originated it, and have given to it its animus, have sought to organize a society which should embrace all branches of skilled and unskilled labor, for mutual protection, for the promotion of industrial and social education among the masses, and for the attainment of public and private reforms. There is provided room within the order for separate trades-unions, with their own rules and regulations, united by a federal tie, as well as those outside of any unions. . . . They reason correctly that if they can elevate the lowest stratum, they will raise all other strata." Ely, on P. 78 of the work named above, appends the following foot note, which gives an insight, not only into the spirit of the Knights of Labor, but of the labor movement of the eighties of the last century: "Mr. Powderly explains well the present situation in these words, taken from the *New York Sun* of March 29, 1886: 'With the introduction of labor-saving machinery the trade was all cut up, so

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\* Art. "American Labor Organizations," Richard T. Hinton, *N.A. Review*. Vol. CXL, p. 58.

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that a man who had served an apprenticeship of five years might be brought in competition with a machine run by a boy, and a boy would do the most and the best. I saw that labor-saving machinery was bringing the machinist down to the level of a day laborer, and soon they would be on a level. My aim was to dignify the laborer.' In the same article he mentions the fact that his greatest difficulty in inducing the machinists and blacksmiths to join the Knights of Labor lay in the contempt with which they looked upon other workers. This is characteristic of the narrow spirit which formerly separated the various trades." Ely lauds the Knights for doing the then debatable thing of enrolling women, and the unheard thing of organizing negroes; for which latter they suffered the bitterest hostility in the South. Browne also refers to their commendable anti-expulsion attitude on the Chinese question.

### DECLARATION OF PRINCIPLES MEAN SOCIALISM.

Commenting on their principles and attitude Ely says: "The declaration of principles of the Knights of Labor means, undoubtedly, Socialism, if one draws the logical conclusions of their statements, and one might be inclined to class them all as socialists at once; but this would be a serious mistake. They do not bring their Socialism forward prominently; many do not even see that their principles imply Socialism; some of them are violently opposed to the theory itself, and many more to the name; while some do not think at all on the subject." That this is correct may be judged from the declaration of principles and the utterances of prominent Knights of Labor men and organizations. While the Knights of

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Labor believed in arbitration “for the purpose of strengthening the bond of sympathy between employer and employe,” to quote its declaration of principles, it did not express a belief in their mutual interests. In fact, the Knights of Labor’s recognition of the interdependence of all branches of labor, backed by the sympathetic strike, made it very Socialistic. The fact is further emphasized by its declaration in favor of the public ownership of telephones, telegraphs and railroads, and its faith in co-operation as a means to “supercede the wage system.” Some of the utterances of Victor Drury, whose *The Polity of the Labor Movement*, consisting of fourteen lectures “first delivered as far back as 1869,” was a sort of Knights of Labor textbook, were decidedly socialistic. He laid down three axiomatic principles: (1) That labor creates all wealth. (2) That all wealth belongs to those who create it. (3) That the productive capacity of society is superior to the consumptive capacity of society. From these he argued in favor of a utopian co-operative system of society in which the producers would own all the wealth and capital. During his argument, Drury developed some plainly socialist thoughts. Defining capital, Drury says: “Capital, which, from its very nature, should have been an assistant to the worker, has been, in reality, converted into an oppressor, from the fact that through its agency the proprietors of capital, who are called capitalists, have confiscated a part of the results of his labor, and have monopolized that which, in justice, belonged to the worker; hence capital has been an instrument in the hands of the capitalist which has been used to the detriment of the worker; and capital and capitalists have been used as interconvertible and synonymous terms.

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“If, then, the definition of capital which we here present be correct, it necessarily leads to the correction of a grave error into which have fallen many of the exponents of the labor movement, who assert that ‘capital is an enemy of labor.’ That assertion is manifestly absurd, and proves that those who make the assertion are deficient in the power of analysis. When they say that capital is an enemy to labor, they merely mean that the proprietor of capital, i.e., the *capitalist*, is an enemy to the *laborer*.

“Between the capitalist and the laborer, enmity, that is, non-identity of interest, may and does exist; but between capital and labor there can be no enmity; their interests are identical, and necessarily so, for they are one and inseparable; the labor of to-day is not only capital to-day, but the unconsumed product of the labor of to-day becomes the capital of the future. The comprehension of this simple fact is very necessary to enable us to see the distinction which is to be drawn between the *capitalist* and *capital*.”

True and inspiring words every one of them; but no truer nor more inspiring than was the motto of “The Gray and the Blue of the Knights of Labor,” an organization of Union and Confederate army veterans—“Capital divided, labor unites us.”<sup>3</sup>

### NOTEWORTHY K. OF L. STRIKES AND EVENTS.

The Knights of Labor conducted some big strikes, notably those on the Gould railway system, and in favor

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<sup>3</sup> Ely's *The Labor Movement in America*, P. 139.

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of the eight hour day; both of which occurred during the decade 1880–1890. Like its predecessors in the early days of unionism, the Knights of Labor believed in working class politics. Ely, referring to Richmond, Virginia, says of the growth of organization there: “It is certain that the Knights were able to elect a municipal ticket in the spring of 1886 by a large majority. They swept the city, as the saying is.” A well-known contributor to the *Weekly People* has described the election of K. of L. men to office in Connecticut.

Of course the Knights of Labor were bitterly fought. Their successful secret and socialistic character made them powerful and to be feared. In 1878, under pressure of this hostility, especially from the Roman Catholic Church, which was opposed to societies which restrained their members from divulging their affairs in the confessional, the Knights felt constrained to abandon the policy of secrecy and come before the world with a declaration of its principles and a repudiation of all connection with “violent and revolutionary associations.” Despite this action, however, the Knights of Labor was the subject of severe attacks. Due to this fact, it figures conspicuously in two great historic events during the year 1886, namely the Chicago Haymarket “riots,” and the New York “Henry George campaign.” In the first, the Knights struck at the McCormick Harvester works for the eight hour day. They were fired on by the police, who killed one and wounded several others. On the following day, May 4, a protest meeting was held on Haymarket Square. Everything went along smoothly, until near the close of the meeting, when the police without warning or justification brutally began to attack those present. Then some unknown person threw a bomb, killing seven men

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and wounding fifty. A number of men prominent in organizing and addressing the meeting were hung and some imprisoned, as a result. The theory of the prosecution was that the unknown bomb-thrower was actuated in committing his awful crime by the teachings of the condemned men, who advocated force as a solvent of the social problem. Gov. Altgeld, who pardoned the imprisoned men in 1893, overthrew this theory. He showed that no connection had been established between the bomb-thrower and the convicted men; that judging from the evidence at hand, the former was an incensed victim of the police injustice then so prevalent in all of Chicago's labor troubles. He condemned the trial of the so-called anarchists, as an unjust and an illegal one in every respect. In the second, or New York, event, the Knights of Labor had struck against the Thiess' Music Hall. In order to compel the surrender of the proprietors, a boycott was successfully levied. This led to the arrest and railroading to Sing Sing of some of the boycotters, under the anti-conspiracy law. Indignation was intense. A conference of labor organizations was called, and Henry George consented to run for Mayor, provided 36,000 signatures requesting his candidacy would be secured; which was done. George was not a Knight of Labor, nor a member of the Central Labor Union, which was imminent in the conference. He was then well-known for his land agitation. George attributed the existence of poverty despite progress to land monopolization; whereas, as his contemporary, Moody, and American industrial history show, land monopolization and poverty were only possible because of progress. Had there been no invention of machinery, no factory system, no corporation, or bonanza farm,

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industry would still be an integral part of agriculture, and land the one and only indispensable aid to independence. But with all these extant—with all these compelling a new division of labor, and divorcing the people from the land and machinery, to their political and economic undoing—to talk of independence on land without machinery and co-operative labor is to talk reaction, to fly in the face of progress and insure a poverty more debasing and degrading than that from which it is hoped to escape, as the career of the small farmer now amply attests. But this was not perceived in George's time. The people, on the whole, still lived near the land. The struggle for the recovery of the public domain was on; and the country was greatly influenced by the granger and anti-monopoly movements against the railroad and land steals, both of which had their origin largely in agricultural interests. The land agitation in Ireland was intense, and a factor of no mean importance in this city, where the Irish predominated in the councils of labor. Then had not Labor suffered great wrongs that must be righted? George was the man who, in a critical, if not a constructive sense, ably voiced the social unrest and personified it in his energetic and passionate personality, despite his reactionary single tax. George ran for the Mayoralty and, though all who took part in that campaign (among them the writer, then a mere stripling) are morally certain he was elected, George was declared defeated—counted out. But the George campaign struck terror to Capitalism. George's slogans "The Land for the People" and "The Masses Against the Classes," backed by a hundred and one manifestations of an awakened communist and socialist spirit, set the heart of the capitalists palpitating with

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fear. Society was endangered and must be saved!—and—oh, the irony of it—it was saved by a combination of all the vultures that battered on it, led by Tammany Hall, the incubator of Aaron Burr and “Bill” Tweed, two of the finest specimens of “society saviors” that ever blackened the pages of American history. The Chicago “riots” and the “George movement” were epoch-makers. They reflected the intensity of the post-civil war working class development; and brought to the surface the revolutionary discontent that was born of the wonderful achievements of the generation that had awakened the eloquence of the learned David A. Wells. Besides, these manifestations permitted the infusion of revolutionary knowledge into the labor movement, as they opened the eyes of thousands of workingmen to their exact status as proletarians, making them bitter opponents of Capitalism and its injustices. The Knights of Labor was no small factor in both these historic events.



## CHAPTER VIII.

### NATIONALISM AND POPULISM.

According to Prof. Ely's *The Labor Movement in America*, the labor movement suffered a slight reaction about the year 1886; but not so the social evolution of which it was a vital part. This continued to produce great movements reflecting its activity. One of these was the Nationalist movement. On December 1, 1888, twenty men met in Boston and formed the parent club of this movement, which afterwards developed considerable following in New York, Philadelphia, Washington, and other leading cities. The Nationalist movement owed its origin to a book, *Looking Backward*, written by Edward Bellamy, a novelist of an high order, whose work had proclaimed him the artistic and spiritual successor of the great Hawthorne. *Looking Backward* was the Republic of Plato and the Utopia of More brought up-to-date. A young Bostonian goes into a mesmeric sleep in 1886 and awakens in the year 2000, amid a civilization of bewildering beauty and culture. This is found to be due to the national ownership of all industry and a system of equal payments for all. It was the proud boast of the first President of the first Boston Nationalist club that "Nationalism is not an outgrowth of Socialism." What it was an outgrowth of he did not say. Certain it was that Bellamy, who was an unselfish, refined and gentle character, with considerable keenness of intellect and prevision, was impressed with the wastes, injustices and ugliness of Capitalism, as well as its obvious tendencies to concentration, with their grand possibilities, all of

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which appealed to his ethical, imaginative and artistic senses, resulting in the production of his great novel. *Looking Backward* was a powerful book. It created an immense social agitation, hardly equalled by that of Henry George's *Progress and Poverty*. Unlike that book, *Looking Backward* laid more stress on industrial evolution than on land; while depicting the future society in magnificent colors. The personnel of the Nationalist movement consisted mainly of men and women like Bellamy and his novel. They were authors, journalists, doctors, lawyers, professors, clergymen, artists, architects, and others representing the aesthetic, intellectual and professional elements of the middle class. The Nationalists ignored the expropriation of labor by the capitalist class together with the class divisions and struggle resulting therefrom. Impressed by the ugly and unethical aspects of competition and the obvious advantages of combination, together with the ideal society that the latter make possible, the Nationalists declared themselves in favor of the Brotherhood of Man and a national system of production based thereon. That the Brotherhood of Man should have been emphasized in a strong national manner never impressed them as being either peculiar or inconsistent. The Nationalist movement came to an early end. The attacks of the capitalist newspapers, keenly alive to the socialistic and communistic tendencies of the new movement, and therefore alert to the interests of the class endangered thereby—the capitalist class—proved too much for its component parts. Living amid and dependent on capitalist interests they withdrew from active participation in it; or else resigned entirely. Some, awakened to the fallacy of building a brotherhood on

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conflicting class interests, joined the Socialist Labor Party; while others, with their noble leader, Bellamy, joined the ranks of populism, whose nativistic origins and national ownership plans appealed to him and them.

### THE PEOPLE'S PARTY.

Populism was another reflex of the social transformations of the time. It was primarily agrarian in character; and aimed at destroying the land, money, transportation, merchant and industrial monopolies, in the interests of the farmers. The political expression of Populism was the People's party, first organized locally at Kansas in 1888; nationally at Cincinnati in 1891. The People's party was composed of the members of the Knights of Labor, the Farmers' Alliance, and many other agricultural organizations. It was regarded as the logical successor of the Greenback party, which was also largely agricultural in composition and interests; and was strongest in the seventies of the last century. Laurence Gronlund, in his *Co-operative Commonwealth* (P. 138), published in 1884, says of "the consistent Greenbackers: the fiat men":—"The latter propose, that the State shall issue its notes, tender them to its creditors and give them to the People saying: 'Take this! With this dollar note you can go anywhere within my jurisdiction and buy one dollar's worth of goods with it.' The great trouble, however, is that the State of these fiat-men is the present State. They want to abolish money—that is the precious metals as money—and yet to retain the present system of production, which is just as irrational as a scheme would be to abolish the Pope and still to preserve the Catholic Church. For what does the

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assertion amount to? It is a promise, without any possible performance, for the simple reason that this state has no title to the goods which it thus disposes of. These belong, by its own sanction and concession, to individual citizens.” Cheap and abundant money, without any intrinsic value, excepting that bestowed by a worthless government fiat, such was the Greenback remedy for the financial monopoly whose source of power is the exploitation of labor that is only made possible by the private ownership of the land and means of production, i.e., the ownership of social factors by the financial monopolists.

According to Peffer’s *The Farmer’s Side*, the Farmer’s Alliance, the backbone of the People’s party, was composed of two main organizations, viz.: the Southern Alliance, first organized in Texas about the year 1875, and the National Farmer’s Alliance organized about the year 1877 in Illinois. The first was a powerful secret organization, with ramifications in thirty-five states; the second was an open body, no less influential and extensive. Both of these organizations were outgrowths, successors to and contemporaries of “The Patrons of Husbandry,” commonly called The Grange, first organized, according to Peffer, in Washington, D.C., in 1867; according to Ely in 1868. “The Grange’s Declaration of Purposes” declared: “We propose meeting together, talking together, working together, buying together, selling together, and in general, acting together for our mutual protection and advancement, as occasion may require. . . . We are not enemies to capital, but we oppose the tyranny of monopolies. We long to see the antagonism between labor and capital removed by common consent and by an enlightened statesmanship

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worthy of the nineteenth century. It shall be an abiding principle with us to relieve any of our oppressed and suffering brotherhood by any means at our command.” The Grange was quite a political factor in its day, It attacked railroad discrimination and land grabbing. It established the principle that railroads are common carriers, and can be regulated by Congress under the Constitution empowering that body to regulate commerce among the several states as well as with foreign nations. The logical result was the Interstate Commerce Commission. This was a great political victory; but, as we know, such is the economic power of the ultra capitalists, the victory is political only; actually, the principle established by the Grange affords the farmers and shippers generally no relief. It is unenforceable by them

### THE SUB-TREASURY PLAN.

The Farmer’s Alliance began originally as the Grange had, that is, as an organization for the social and economic advancement of the farmer through fraternal, educational and co-operative means, and without resort to legislative aid; but its necessities soon compelled it to drift into politics. Its first moves were against the absorption of the public domain by the railroad and land corporations, to the exclusion of homesteaders and farmers. Its next move, especially in Kansas, was to secure the political control of the state. Experience had demonstrated that the old party machines were controlled by the financial and railroad interests of the East, which were opposed to those of the farmers. This resulted in the formation of the People’s party, which

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swept Kansas in 1888, and paved the way for the national People's party, three years later. The Farmer's Alliance was also the originator of the sub-treasury plan. This was an important modification of Greenbackism, in that, while it insisted on the right of the government to make and issue money, in the form of legal tender notes direct, it demanded "that legal tender treasury notes be issued, such notes to be legal tender in payment of all debts, private and public, and such notes, when demanded by the people, shall be loaned to them at not more than two per cent. per annum upon non-perishable products, as indicated in the sub-treasury plan, and also upon real estate, with proper limitation upon the quantity of land and amount of money." The sub-treasury plan provided for places of collateral deposit, record and issue, in the making and loaning of "legal tender treasury notes." It gave the color of a value-basis other than the government-fiat to the "legal tender treasury notes"; and made the nation the farmer's banker, free from metallic money standards and Shylockian propensities. Cheap and abundant money, with the farmer's land and products as the quasi-guarantee thereof—such was the dream of Populism, as it had been, with the important modification indicated, the dream of Greenbackism! There were other, subsidiary, elements to the dream, due largely to the farmer's coalition with the Democrats and the labor organizations at the Cincinnati conference. These were the graduated income tax, the free and unlimited coinage of silver, government control and supervision of railroads, and eventually, should these fail to rectify transportation evils, government ownership. Surely a radical platform, but a reactionary one, withal!

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### FARMER'S TROUBLE ECONOMIC, NOT FINANCIAL.

The fact of the matter was that the farmer was in bad straits not primarily because of financial, but of economic conditions. Peffer shows how industrial development gradually took from the farmer many industries that were exclusively his own, thereby weakening his general position; while his big competitors, with their immense machinery and acreage, allied themselves with the railroads and financial interests, and defeated him in the markets of the world. Moody, more exhaustively and thoroughly than Peffer, presents an array of figures showing the superior productive, purchasing and negotiating power of the bonanza as compared with the small farmer; a superiority that was further enhanced by favored rates with the railroads and direct affiliation with bankers and manufacturers. The result was that, in farming, as in industry, there was a lowering of exchange values and prices, resulting in depreciation and bankruptcy, or the alternative offered by the mortgage. Spahr's *The Present Distribution of Wealth in the United States* (1896), on p. 48, gives 1890 Census figures indicating that of the \$13,000,000,000 of farm property then in the United States, over \$5,000,000,000 was mortgaged. The farmer, crushed by the exactions of the money-lenders in his efforts to escape destruction, conceived the idea they were to blame, and sought primarily to end their reign; hence his money ideas and money movements. Brought face to face with large capital and railroad discrimination, he fondly believed that the income tax would curb the former, while government supervision or

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ownership would end the latter. His competitors and fleecers, deriving their capital primarily from the exploitation of wage labor in the factory and on the farm, were financially powerful and deeply entrenched; why could not he be? The farmer failed to realize the difference in the economic position of the two classes. He failed to see that only a revolution making society the reaper of the rewards of social evolution—the owner of socially created and operated property—would solve the question. He preferred to believe, in the face of facts, as his material interests demanded, to wit, that he could turn back progress, and, with governmental aid, rehabilitate himself by destroying concentration.

Though the populists captured three states for their presidential candidate, Weaver, in 1892, and polled 1,500,000 votes in the congressional elections of 1894, electing such representatives as Jerry Simpson, Tom Watson, and Lafe Pence, and such United States Senators as Peffer and Allen, to office, the Populist party failed to achieve the farmer's ideal—failed completely. One of the populists' subsidiary measures, the income tax, after running the gamut of congressional warfare and winning out, through a coalition with the Democrats, was defeated by an adverse decision of the U.S. Supreme Court, which declared the bill enacting it unconstitutional. Once the backbone of the nation, the sturdy embodiment of "the spirit of '76," its most progressive and courageous class, the farmer is now a depression paralyzing the nation's spinal cord and hampering the nation's forward march.



## CHAPTER IX.

### FREE SILVER AND BRYANISM.

In 1893, this country was afflicted with a disastrous panic. The mercantile and manufacturing middle class was forced into bankruptcy, factories were closed and millions rendered idle. Public soup-houses and the creation of public works became necessary in order to feed and give temporary employment to the army thus affected. The panic of 1893 is said to have been deliberately created in order to save the ultra-capitalist class from the growing menace of populism. The evidence offered in support of this theory is rather circumstantial than positive; and, therefore, not wholly convincing. The necessity of preserving ultra-Capitalism is held to have been imperative, which it undoubtedly was, to judge from the struggles with populism. It is also claimed that the panic occurred amid great prosperity, and consequently could not have been the result of inherent conditions, but was artificially forced. This latter argument is unsound, for what panic has not come like a thunderbolt out of the apparently clear skies of great industrial activity? In fact, the greater the industrial activity, the greater the panic. The worldwide panic of 1873 occurred amid a more remarkable condition of affairs than did that of 1893. The truth is that the panic of 1893 was not without the customary premonitions. In 1892, *The Review of Reviews*, in commenting on the Brussels Monetary Conference, held in October of the same year, hoped that the results of this conference would have "a good influence upon the

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disturbed and depressed state of trade in India, Mexico and the South American States, and *immediately show a decided quickening of the trade of the world.*" This did not occur; in fact matters grew worse. In the spring of 1893, the crash, which was presaged and anticipated by the conference, came with startling force. Australian bank failures took the lead abroad, and soon this country, together with England, was involved in an abundance of failures and shut-downs. In this country, the trouble was held to be due to the bad effects of the Silver Purchasing Clause of the Sherman bill, which compelled the purchase of a certain quantity of silver at a constantly depreciating rate of value. A special session of Congress was called by President Cleveland, and the Silver Purchasing Clause repealed. This repeal, combined with the panic, precipitated the free silver and government ownership campaign of 1896, in which William Jennings Bryan figured so conspicuously. This campaign was an intensely exciting one. It was attended by many dramatic events; and was, on the part of the free silverites, revolutionary in criticism and tactics, though reactionary in aim. It swept aside and relegated to the rear the tariff question, bringing to the front the trust question, and with it, the great labor question. As Gov. Altgeld, one of the foremost Bryanites declared, America had reached a new epoch and only new issues could appeal to and win the people.

### DEPRECIATION AND ANTI-TRUSTISM.

To understand the hosts and interests arrayed against the party of the plutocracy,—the gold standard Republican party—in the campaign of 1896, it will be

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wise to enumerate and specify them. First there were the silver mine owners. These feared a depreciation in the value of their commodity and properties, as a result of the action of Congress. They accordingly were vitally interested in the establishment of silver on a parity with gold as a money metal, at a ratio of sixteen to one. Such an establishment would not only prevent depreciation but create an appreciation of silver. It was charged, and also denied, that Bryan's campaign expenses were paid by an organization of the silver-mine owners, which was known as the silver trust, because of its combined efforts in behalf of the interests of its members. Second, the indebted farmers and land speculators were also vitally concerned. Success in depreciating the money standard fifty per cent. by way of the "free and unlimited coinage of silver," would have enabled them to pay their mortgage indebtedness, then amounting to the enormous sum of \$6,000,000,000, in a debased currency worth only \$3,000,000,000. This certainly was an enormous incentive to the bankrupt farming and land-holding class generally. It must be said, however, that many farmers, as consistent, thorough fiat-money and sub-treasury men, fought the coalition with the free-silverites, which had taken place at St. Louis in 1894, and which they denounced as a betrayal of the Omaha platform, a document which reflected their views and interests without free-silver domination. Third, there was the manufacturing and mercantile middle class who saw in government ownership of the railroads, the same relief from rate discriminations and high charges so disastrous to them, as did the farmers; with this addition: that it would prove an entering wedge to the municipal ownership of so-called public utilities, by

means of which the manufacturing and mercantile middle class could acquire cheap factory sites, light, heat and power, the rents for and prices of which were obstructive factors to success in the competitive struggle with the big corporations and trusts. In general, it may be remarked that to the trust, with its superior economic, political, legislative and legal power, most of the ills of the age were attributed. To the trust was due the demonetization of silver and the inflation of prices and property values. The trust was responsible for the immense concentration of wealth made known through the statistical researches of Sherman, Holmes and Spahr; researches prophesying the coming of the billionaire and showing that one per cent. of the families of the country owned more wealth than the remaining ninety-nine. The trust had also, in the past decade, successively and successfully defied many legislative and legal attempts to destroy or curb it, going serenely on its way, adapting itself to the changed condition of affairs, or ignoring it, wherever possible, to the great chagrin and dismay of the opposing middle class, whether agricultural, manufacturing or mercantile. Closely identified with the leading political party—the Republican Party—and the financial or gold interests for which that party stood, and, foremost in the oppression of labor, as at Homestead in 1892 and Chicago in 1894 (of which more later on), the trust was the target of all opposition, and its extinction or curbing by financial and government ownership legislation, was the be-all and end-all of political activity, as was obversely its survival and progress in the interests of the ultra-capitalists—the plutocracy. Thus there came about that conflict of class interests of the middle and working classes against the

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plutocratic class—that made the trust, in the language of Daniel De Leon, “The storm center of the social storm.”

### TRIUMPHANT DEMOCRACY TRANSFORMED INTO TRIUMPHANT PLUTOCRACY.

How that storm did rage in 1896! It was the intensity of Chicago and New York in 1886, multiplied many fold on a national scale. The country was overwhelmed with speechmaking and pamphleteering, in which “free trade or protection?”, “the bloody shirt,” i.e., the sectional differences resulting from the Civil War, greenbackism, and many another hoary-headed “issue,” was either given its quietus once for all, or else compelled to take a decidedly subsidiary place in the scheme of nature. The new economic and political principles and conditions resulting from the new concentration of capital, especially as applied to the opportunities of the small capitalist and workingman, and the vast accumulations of wealth and power in the hands of a few, were attacked and defended with all the wit, logic, eloquence and brilliance of the age. Both sides spoke with the brutal frankness and the fierce passion that are the reflex of all genuine efforts looking to the promotion or defense of class interests. There was no hypocrisy or diplomacy; no temporizing or parleying, but a vigorous stand up and knock down fight, while all the world, conscious that a momentous battle was being fought, looked on in wondering expectancy as to its final outcome. Bryan was clearly the popular candidate. Intimidation, based on the economic power of the ultra-capitalists, saved the day. Mark Hanna, campaign manager and physical

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embodiment of the plutocracy, intimated that all the industries owned by the latter would close down in the event of Bryan's election. The recollection of the panic of 1893 was still vivid. "Triumphant Democracy" was transformed into Triumphant Plutocracy.

## CHAPTER X.

### THE SOCIALISTIC LABOR PARTY.

Besides the Republican and Democratic parties, representing the ultra-capitalist and middle classes, respectively, together with the workingmen whom they forced or deceived into siding with them, there was another party in the field in 1896—a strictly working class political party—the Socialist Labor Party. The history of the Socialist Labor Party is the history of working class development. As already stated, in the sixties of the last century there was a revival of distinctly working class political parties. In the years intervening between the sixties and '96 these parties were frequent and numerous. Their progress was from formative confusion and corruption, resulting from indefinite conditions and the conflict of principle and tactics, to clear-cut, uncompromising and aggressive class-consciousness. Like everything else, sociological as well as biological, it was an evolution in which environment was a great factor. A working class party can no more form without appropriate economic surroundings than a man can walk before the requisite geological stage. Conditions in the sixties of the last century were not as sharply defined as in the latter half of the nineties. Those were years of tremendous progress. Though as early as the 60's there had been an infusion of modern European Socialism into this country which first affected a Sylvis and later a Stephens, both workingmen among workingmen, it was not strong enough to wean the American working class from its traditional political course. Accordingly we see the first

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of the post-civil war American working class political parties, the National Reform party, organized in 1868, to secure eight hour reforms, embracing the Greenback ideas of the farming class, as had the earlier working class political parties embraced the money ideas of the farming class of their day. This is quite natural, when the influence of the land and the farmer in those days is considered; many workingmen were at that time either ex-farmers or prospective farmers, that is, men who lived in the hope of escaping bondage via the farm. The National Reform Party could not cut the navel string with which it was born. As a result, it became a prey to demagogic politicians, like Ben Butler, who diluted its original working class principles and character, and hastened its corrupt merging with the old political parties of the day. The National Reform Party was variously known as the Labor Reform Party and the National Labor Union Party. It acquired the latter name from the fact that it was launched at the third convention of the National Labor Union. The National Labor Union was a short-lived predecessor of the Knights of Labor. It was represented at the Balse convention of the International in 1869.

### THE PANIC OF '73 AND LABOR POLITICS.

In 1873, the panic of that year, through its armies of unemployed, and the demonstrations in their behalf, injected a decidedly big dose of industrialism, pure and simple, into labor politics. The failure of the city officials of Chicago to fulfill promises of relief, led to the formation of the Labor Party of Illinois. Municipal parties sprung up in other cities from the same causes.



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This was a purely political rebuke, due to exasperating and unrelieved industrial conditions. As such it was a sign of distinctively working class politics, being by, for and of the working class. In July, 1877, the employes of the Baltimore and Ohio and other railroads, suffered a reduction of ten per cent. in wages, whereupon they went on a strike, that was widespread and serious in character. John Swinton, a well-known labor leader of that time, in an answer to a reporter regarding the probability of a revolution in this country growing out of the troubles between capital and labor, quoted from his paper, by Browne's *Studies in Modern Socialism*, makes a statement that indicates both the nature and the extent of this strike. "Swinton—Well things do happen so unprovided for in this queer old planet of ours—the king waving the tri-color to-day, the guillotine on the Place de la Concorde to-morrow. The May of 1877 in our own country, lambent and calm; July of 1877 over one hundred thousand militia under arms against railroad revolts; Pittsburgh echoing to Scranton; the trumpets resounding from San Francisco to New York! No man knows the dawn of to-morrow. God knows. Be ye ready, for in such an hour as ye know not, the tornado cometh." Thus 1877 talked revolution in the concrete instead of experimenting with it in the abstract as in 1840.

The railroad strikes gave a further impetus to working class politics of a more revolutionary character. It enabled the International socialists to make effective propaganda. They used the strikes so well that they were charged with instigating them! Meetings of protest against the outrageous acts of the militia, and of sympathy for the striking railroad men, did much to introduce modern socialist teachings. The intimidation

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practised at these meetings, as in Tompkins Square, New York, only helped the good work along.

### THE WORKINGMEN'S PARTY OF THE UNITED STATES.

It was in 1877, that the Socialist, or Socialist Labor Party, as it was first called, was formed in Newark, New Jersey. It was a consolidation of the working class remnants of the National Labor Union, the North-American Federation of the International Workingmen's Association, organized in New York in 1872, and the Social Democratic Workingmen's Party, organized in New York in 1874. Some groups of French and English socialists were also included; but the German socialist trade union element was predominant. The Socialist Labor Party was first known as the Workingmen's Party of the United States. According to the platform and principles appended to *Better Times*, a pamphlet written by Dr. A. Douai, one of its most cultured representatives, famous as an editor, abolitionist and pedagogue, having introduced the Frobel kindergarten system to this country, the Workingmen's Party of the United States declared, "the Emancipation of the Working Classes must be achieved by the Working Classes themselves, independent of all political parties of the propertied class.

"The struggle for the Emancipation of the Working Classes means not a struggle for class privileges and monopolies, but for Equal Rights and Duties, and the abolition of all Class Rule.

"The Economical subjection of the man of Labor to the monopolizer of the means of labor—the sources of life—lies at the bottom of servitude in all its forms, of all

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social misery, mental degradation, and political dependence.

“The Economical Emancipation of the Working Classes is therefore the great end, to which every political movement ought to be subordinate as a means.”

The platform and principles then proceed to point out that all efforts to these ends have failed because of want of working class solidarity “between the manifold divisions of labor,” and international action, holding that the labor problem is a social problem and as such, depends for its solution on a united working class and concurrent international co-operation. “For these reasons, the Workingmen’s Party of the United States has been founded.” A series of resolutions that follows, declares political liberty without economic freedom an empty phrase; “therefore we will in the first place direct our efforts to the economical question.” Here follows a repudiation of all connection with all political parties of the propertied classes regardless of name; a demand for the common ownership of the means of labor (land, machinery, railroads, telegraphs, canals, etc.), “for the purpose of abolishing the wages system, and substituting in its place Co-operative Production with a just distribution of its rewards.” Then comes a declaration that “the political action of the party is confined generally to obtaining legislative acts in the interest of the working class proper”; also that “we work for organization of the Trades Unions upon a national and international basis to ameliorate the condition of the working people and seek to spread therein the above principles.” The whole concludes with eleven measures “as a means to improve the condition of the Working Classes,” viz.: eight hour day; sanitary inspection of

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factories and dwellings; establishment of bureaus of labor statistics, state and national; no prison labor by private employers; prohibition of child labor under fourteen years; gratuitous education; strict liability laws; gratuitous legal administration; abolition of conspiracy laws; government taking, holding and operating of railroads, telegraphs and all means of transportation; government control of all industrial enterprises "as fast as practicable and operated by free Co-operative Trades Unions for the good of the whole people."

Subsequent platforms of the Socialist Labor Party exhibited less redundancy, more polish and logical coherence. They declared labor is the creator of all wealth and civilization; pointed out the expropriation of labor by the capitalist class; emphasized the need of the common ownership of land and machinery and of class action, political and economic, by the working class, as a solution; and added more "improving measures," such as the abolition of the presidency, woman suffrage, anti-blue laws, etc., etc.

### THE BALLOT OR THE BULLET?

In close contact with the European socialist movement the newly-formed Socialist Labor Party reflected acutely all its forms, tactics and internal troubles. The latter revolved mainly around the time-worn and ever persistent question, the ballot or the bullet, which?—a question which was unduly accentuated by home events. In 1879 the Socialist Labor Party was making immense headway, electing three Chicago aldermen and three Illinois state representatives. The capitalists were alarmed; they proceeded to count the elected men out. In

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A.R. Parson's book, *Anarchism*, devoted to a vindication of the Chicago "Anarchists"; the speeches of the condemned men to the packed jury who "tried" them are given. In the speech of August Spies (p. 65)—the masterpiece of them all, so cultured, thorough and well-balanced is it—we get a vivid idea of how the counting out was done and what came of it. Says the admirable Spies:

"The position generally taken in this case is that we are morally responsible for the police riot on May 4th. Four or five years ago I sat in this very court room as a witness. The workingmen had been trying to obtain redress in a lawful manner. They had voted, and among others had elected their aldermanic candidate from the fourteenth ward. But the street car company did not like that man. And two or three election judges of one precinct, knowing this, took the ballot box to their home and corrected the election returns, so as to cheat the constituents of the elected candidate of their rightful representative, and give the representation to the benevolent street car monopoly. The workingmen spent \$1,500 in the prosecution of the perpetrators of this crime. The proof against them was so overwhelming that they confessed to having falsified the returns and forged the official documents. Judge Gardner, who was presiding in this court, acquitted them, stating that 'that act had apparently not been prompted by criminal intent.' I will make no comment. But when we approach the field of moral responsibility, we have an immense scope. Every man who has in the past assisted in thwarting the efforts of those seeking reform is responsible for the existence of the revolutionists in this city to-day."

INTERNAL CORRUPTION AIDS PHYSICAL FORCE ADVOCATES.

True words, indeed; but of wider scope than the fearless Spies gave them, for the revolutionists, i.e., the advocates of physical force, were bred by the lawlessness of "law-upholding" judges, a la Gardner, not only in Chicago, but also elsewhere. The result was a serious setback to political organization, that involved the new Socialist Labor Party in a fierce discussion of the right course to pursue in the emancipation of labor. The situation was further aggravated by the logic of events occurring subsequent to those cited by Spies, namely, the brutal suppression of the striking miners of Hocking Valley, Ill., and the Southwestern railroad strike in East St. Louis; together with the unpunished murder of workmen by employers' thugs in Chicago, Milwaukee and elsewhere. The injection of free love, atheism, and other non-economic ideas into the party, further added to the demoralization of the demoralizable, making the latter a prey of corrupt politicians. George Engell, one of the Chicago "anarchists," in his speech to the infamous jury, says (p. 87, Parson's *Anarchism*), "I found that political corruption had burrowed through the ranks of the social democrats." A fact that was amply borne out when, in 1883, the first National Secretary of the Socialist Labor Party, Phillip Van Patten, sick and discouraged, became an old-party job holder. In October 1881, the differences between the advocates of political action and physical force, culminated in the formation of the Revolutionary Socialist Party at Chicago, by the latter. This was followed in 1883, by the Pittsburg joint convention of the "revolutionary socialists" and

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anarchists, which gave birth to the “International Working People’s Association.” Among the prime movers of the latter was A.R. Parsons who had been the Socialist Labor Party candidate for President in 1879.<sup>4</sup>

### FUSION WITH THE GREENBACK LABOR PARTY.

In 1880, the Socialist Labor Party officially endorsed the Greenback party. The Greenback party was formed at Indianapolis 1874. It favored the withdrawal of national banknotes, the issuance of paper currency, and the use of coin only in the payment of bonds that called expressly for the same—in fiat money. The Greenback Party’s first presidential candidate was Peter Cooper, the philanthropist, nominated in 1876; its last, Ben Butler, chameleon politician and demagogue, nominated in 1884. At Toledo, Ohio, in 1878, the Greenback Party became the Greenback Labor party, and at the subsequent congressional election polled a million votes. At the Chicago convention of the Greenback Labor Party in 1880, the Socialist Labor Party was a factor, being represented in the platform committee by many prominent members. But this availed nothing, for one year afterwards the Greenback-Laborites practically dissolved, only a remnant of their former strength rallying to Butler.

### THE GEORGE CAMPAIGN.

The tactical differences within its ranks, the failure and corruption of its policy of compromise seriously

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<sup>4</sup> See life of A.R. Parsons: by his brother, Genl. W.H. Parsons, p. 189, A.R. Parsons’ *Anarchism*.

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decimated and crippled the Socialist Labor Party during the early eighties. So much was this the case that it strove for consolidation with the International Working People's Association; and, at its fourth annual convention in Baltimore, December, 1883, modified its platform and principles with a view to winning them back; but without success, as the Internationals spurned the offer. A series of German debates and lecturing tours, aided by the successful growth of the German socialist political movement, in the face of rigorous Bismarckian repression, which gave political action renewed prestige, revived matters and put the party on a firmer basis once more. This, however, did not save the Socialist Labor Party from again compromising its principles in the Henry George mayoralty campaign of 1886. The zeal of its adherents during this campaign won for them great praise. Henry George, referring to their omnipresent and multifarious activities said: "What the socialists lacked in numbers, they made up in ability." They were a host in themselves with a wide-felt influence. Read out of the 1887 Syracuse state convention of the United Labor Party, formed subsequently to the George mayoralty campaign of 1886, the Socialist Labor Party retaliated by forming the Progressive Labor Party, and putting a rival ticket in the field. This party did serious damage to George's doctrines and prestige, a debate with Sergius Schevitch, exposing the fallacy of his plan for freedom via land minus machinery; while the poll showed a vote for George for state secretary of only 36,000, as compared to the 68,000 polled in the mayoralty campaign of the preceding year. The Progressive Labor Party campaign also served to bring into greater prominence a young



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American lawyer, Laurence Gronlund, who, the year previous, had published a notable book, treating of Socialism from an Anglo-Saxon viewpoint, and called *The Co-operative Commonwealth*. This book is still selling; and was for a long time the standard American textbook on Socialism.

Despite all these good effects, from a socialist standpoint, the Progressive Labor Party was a constructive failure. It served, however, after a discouraging reaction, to cause the members of the Socialist Labor Party to return to its oft-repeated and oft-broken vow of "no compromise." As Goethe well says, there is an element of good in all things evil.

### SOCIALISM AND TRADES UNIONISM.

During all this time the Socialists, both of the radical and the moderate type, were very active in the trade union world. Possessing theoretical and practical knowledge, fired by enthusiasm and unbounded faith in their cause, courageous, eloquent and untiring, they were (and still are) labor organizers par excellence. Not only did they assist in the formation of unions regardless of their political or social principles, hoping later to indoctrinate them completely with Socialism, but they also formed, especially among the German workingmen, strictly socialist unions; unions possessing not only socialist declarations of principles, but active in the support of socialist propaganda and politics. The most striking example of this type was the Progressive Cigarmakers' Union, organized in 1882 in opposition to the International Cigarmakers' Union. In a word, while assisting greatly in the formation of what are now

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termed pure and simple or capitalist unions, the socialists of the eighties were, perhaps unconsciously, laying the foundations for the opposing industrial or socialist unions of the present time.

## CHAPTER XI.

### THE MODERN SOCIALIST LABOR PARTY.

In 1889, a three-fold disgust with the policy of the Socialist Labor Party manifested itself internally; first, with its compromising political policy; second, its stronger pure and simple union tendencies; third, its German spirit and forms. Frederick Engels, in his preface to Florence Kelley's translation of his own work, *Condition of the English Working Class*, published in this country in 1887, in dealing with the labor movement in America of that time, said of the Socialist Labor Party: "This party is called upon to play a very important part in the movement. But in order to do so they will have to doff every remnant of their foreign garb. They will have to become out and out American. They cannot expect the Americans to come to them; they, the minority and the immigrants, must go to the Americans who are the vast majority and the natives. *And to do that they must above all things learn English.*" This statement by the co-worker of Karl Marx, himself a German, would be insulting, if not true; the Socialist Labor Party of the eighties was a German party and its official language was German. The American element was largely incidental.

### EXIT THE "PARTY OF PROPAGANDA."

The three-fold disgust referred to above crystallized into what was called the Busche-Rosenberg faction, after its two most prominent members; and resulted in acute internal disorder, in which physical force played a part.

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the Busche-Rosenberg faction was swept out of the party, but not without exerting a good influence, for, following upon their defeat, there came a reorganization of the party, practically in accordance with their ideas, English becoming the official language, while uncompromising politics, together with a more aggressive socialist trade union policy, were adopted. All this was affected at a convention held in Chicago, during the month of October, 1889. There, "the party of propaganda," as it had come to be called, ceased to exist. A new platform was adopted, which asserted "the inalienable right of all men to life, liberty and the pursuit of happiness"; declared that "the purpose of government is to secure every citizen in the enjoyment of that right," but held that no such right can be exercised in a system of economic inequality. To "the true theory of politics that the machinery of government must be owned and controlled by the whole people," it added "the true theory of economics" "that the machinery of production must likewise belong to the people in common." This new platform went further: it outlined the evolutionary process by which this was to be brought about, viz.: "through the destructive action of its (the capitalist system's) failures and crises on one hand and the constructive tendencies of its trusts and capitalist combinations on the other hand." (Here we get the first glimpse of how the working class intends to open integralization to all.) This new platform concluded by calling on "the people to organize with a view to the substitution of the co-operative commonwealth for the present state of planless production, industrial war and social disorder." "In the meantime," it presented twenty political and social "immediate demands." These, like the

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“improving measures” of the first platform, demanded the enactment of ameliorative reforms, such as municipalization, government possession of railroads, telegraphs, etc.; incorporation of trade unions; progressive income and inheritance taxes; free inventions, inventors to be remunerated by the nation; abolition of the presidency, capital punishment, etc., etc. At the Chicago convention in 1889, steps were also taken which eventually transformed the seventy “sections” or language branches into district organizations, conforming to the political geography of the various states. In 1890, the New York organization placed a state ticket in the field, which polled 13,000 votes. In 1892, the first presidential ticket of the new era was nominated and polled 21,512 votes. Fusion with the Nationalists and Populists was successively “turned down”; the party adhering rigidly to its new course, to the extent of expelling the members of a faction known as the Sotheran-Martin faction, which attempted to have it “line up” with populism. The 25,666 votes polled in 1893, demonstrated the wisdom of this action; while the 30,020 votes of 1894, gave it emphatic confirmation.

### “THE BATTLE OF HOMESTEAD” AND A.R.U. STRIKE.

Events were now transpiring on a scale which made the class struggle, the basic sociological doctrine of the Socialist Labor Party, a vivid and startling fact, no longer savoring of the academic, but patent to all. One of these was the so-called “Battle of Homestead.” The steel and iron workers in the Carnegie plant at Homestead, Pa., refused to concede to a reduction of wages on the introduction of new machinery. The mills were

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stockaded and preparations were made to run them on a non-union basis. On July 4, 1892, the world was startled by the news of a pitched battle between the locked out men and 300 armed Pinkerton detectives. The latter, notorious instigators of riot and terrorism, were sent to "protect" the Carnegie plant; and as they were coming down the Monongahela River on a barge, they were fired on and their landing for the time being successfully resisted. Immediately upon the request of the Carnegie corporation, the whole executive, legislative, military, police and judicial machinery of the state was set in motion, and the locked out men suppressed. The second was the A.R.U. or Pullman strike. This started in Pullman, Ill., a suburb of Chicago, in May, 1904. Wages had been reduced, varying from thirty-three and one-third per cent to fifty per cent., despite the enormous dividends, surplus capital, and rent of the Pullman Palace Car Co., most of whose employes lived in its tenements. A committee that called on Pullman was blacklisted, "laid off," despite his assurance to the contrary. The men thereon struck. They were members of the American Railway Union, a recently formed federation of all railway employes, regardless of craft distinctions, of which Eugene V. Debs was president. The American Railway Union attempted to settle the strike with Pullman, offering to submit the matter to arbitration. He arrogantly replied, "There is nothing to arbitrate." The union then boycotted the Pullman cars. This move paralyzed interstate commerce, as it tied up tighter than a drum all the railroads centering in Chicago, of which there were many. The Pullman corporation and the Railroad Managers' Association got busy. Riots were instigated; cars set afire. Governor

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Altgeld refused to send militia to aid the capitalists' interests; saying that the local authorities were thoroughly able to handle the situation. Thereupon a plea was made to President Grover Cleveland who, over Gov. Altgeld's head, sent federal troops to suppress the strike, under the pretense of protecting interstate commerce. Debs and his associate officers were arrested and sent to Woodstock jail ostensibly for contempt of court, in disobeying an injunction, but really for interfering with and restraining interstate commerce, in the interests of the working class. A long conflict regarding state rights in strikes affecting interstate commerce was waged between the Governor and the President, to the satisfaction of the plutocracy, to whom the interference of federal troops had been necessary for the preservation of railway stock values on European stock exchanges, where considerable of the stock was held, and who accordingly upheld the President, Grover Cleveland. These two events, following so close on each other, proved great educators. They brought home to an increasing number of the workers the ascendancy of corporate interests over all other economic, political and social considerations; especially those of their own, the working class. They thus lent great aid to the propaganda of the Socialist Labor Party, helping to swell its vote.

### THE SOCIALIST TRADE AND LABOR ALLIANCE.

In 1896, the Socialist Labor Party, in convention assembled, in New York State, took decisive steps in line with its evolution. It endorsed the Socialist Trade and Labor Alliance, the first avowedly socialist national

labor organization of all trades ever attempted in this country. The organization of the Socialist Trade and Labor Alliance, and its endorsement by the Socialist Labor Party gave rise to a bitter warfare in socialist economic and political circles. An organization aiming in contradistinction to the American Federation of Labor, at the capture of both the economic and political power of Capitalism, in order to improve the condition of labor and overthrow Capitalism, the S.T. & L.A. was denounced as a scab organization, a destroyer of unions, a divider of the working class, and declared to be anti-historical and anti-revolutionary. All these statements are based on a one-sided recognition of American socialist trade union evolution.

As was pointed out before, the evolution of Socialism in the trades unions of this country proceeded on a two-fold basis, first, that of indoctrinating anti-socialist trades unions with Socialism, thus making them socialist; a process more popularly known as “boring from within”; and, second, that of organizing strictly socialist trades unions in opposition to those already established; a process now known by way of contradistinction, as “boring from without.” Both of these courses were the cause of considerable friction. For instance, the German socialist trades unions had their own central trades unions, which were continually at loggerheads with the English anti-Socialist Central Trades Unions, especially in New York. Later, central bodies of Jewish socialist unions added to the din. Again, the policy of indoctrination, even when successful, met with drastic defeat at the hands of its opponents, generating discontent and revolt. At the Denver Convention of the American Federation of Labor, held in



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1893, plank 10, declaring in favor of government ownership, presented by the socialists, was thrown out on various constitutional pretexts by the anti-socialist delegates led by President Samuel Gompers, though adopted by a referendum vote of the entire membership. At the following convention of the same organization held in Detroit, in 1894, the delegate of the Central Federated Union of New York was denied a seat on the ground that it included a political body among its membership, viz.: Section New York, Socialist Labor Party. This was tantamount to declaring that socialist politics are no part of the labor movement, a declaration that will cause all students of the labor movement to grin at its absurdity. In the Knights of Labor the fruits of victory for the policy of "boring from within" were just as barren. The socialists, winning control of District Assembly No. 49, of New York City, one of the strongest in the Knights of Labor, and holding the balance of power at the New Orleans General Assembly in the early nineties, were forced to revolt by the unscrupulous machinations of Grand Master Workman Sovereign. This District Assembly was the backbone of the Socialist Trade and Labor Alliance, the latter being formed by it in conjunction with the German, Jewish and English socialist trades unions of New York City.

The Socialist Trade and Labor Alliance was no more a scab organization, a divider of labor, anti-historical and anti-revolutionary than was Kansas, formed under pressure to stem the tide of chattel slavery, a disloyal state, a divider of the union or an anti-historical and anti-revolutionary product. As Kansas was an outgrowth of the war with slavery, and an integral, nay, pivotal, part of the nation, so was the Socialist Trade and Labor

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Alliance an outgrowth of the socialist war on capitalist unionism, and an integral, pivotal part of the labor movement of the country.

### THE AMERICAN FEDERATION OF LABOR.

To further appreciate the correct character of the Socialist Trade and Labor Alliance an understanding of the labor union conditions of the early nineties is necessary. The Knights of Labor was on the wane, and the American Federation of Labor attaining the ascendancy. As already noted, the American Federation of Labor was organized in Pittsburgh in 1881. It was then called "The Federation of Organized Trades and Labor Unions." A contributor to the *Weekly People*, Herman Joseph, of Hartford, Conn., claims that the American Federation of Labor was formed at the instigation and under the patronage of Andrew Carnegie. The facts presented by him, as well as those since developed, through the Federation's coalition with the Civic Federation, give the claim force, making it appear well-founded. The American Federation of Labor is organized on lines that are in sharp contrast to those of the Knights of Labor, and make of it a decidedly pro-capitalist organization. Instead of regarding industry as one comprehensive whole, and organizing therein accordingly, the American Federation of Labor runs counter to industrial and trade union evolution, as embodied in the trust and the Knights of Labor, by laying stress on one of the technical phases of industry, to wit, the specialization of labor. This gives rise to the principle of trade autonomy. The result is to split labor organization for protective purposes into distinct crafts,

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in which the minor crafts are dominated by and sacrificed to the interests of the strategic crafts, whose members combine to corner jobs. This produces mutual scabbing and jurisdictional squabbles, both of which redound to the employer's benefit. Again, the American Federation of Labor, like its model, the English Trades Union Congress, is based on "the mutual interests of Capital and Labor," and believes in the finality of Capitalism, unlike the Socialists, who point out the antagonistic interests of capital and labor, and regard the capitalist system as a transitory phase of social evolution. The anti-socialist basis of the American Federation of Labor accentuates its pro-capitalist character, virtually giving the black eye to its principle of "mutual interests," for where interests are really mutual such accentuation is impossible. In the official publication of the St. Louis, Mo., Exposition, 1904, President Samuel Gompers, in writing of the American Federation of Labor exhibit in the Social Economy Building, takes occasion to commend with pride the American Federation of Labor to the capitalists of the country. He mentions the fact that the A.F. of L. was instrumental in defeating the Pullman strike of 1894; of defeating Socialism in denying representation to the Central Federated Union at Detroit, and preventing the passage of socialist resolutions in the American Federation of Labor conventions during the preceding five consecutive years.

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### THE CIVIC FEDERATION.

A few years prior to the St. Louis Exposition statement of the American Federation of Labor, the Civic Federation was formed. The Civic Federation is the special creation of one Ralph Easley, a \$10,000 a year professional "social engineer," the capitalist counterpart of the labor union business agent, or walking delegate, as he was formerly called. Mark Hanna, one-time Bismarckian opponent of labor, later national Republican party boss, and always the personification of corrupt Capitalism, adopted the Civic Federation idea and made it an auxiliary to his varied personal and class interests. Of this fact, the statements of Mr. Baer in the first great anthracite strike of this century leave no doubt. The Civic Federation was ostensibly organized to settle labor disputes by arbitration. What it has really done is to impose the domination of the ultra-capitalist class upon the labor movement of this country, in order to maintain and perpetuate the interests of that class. This fact is demonstrated by the many fraudulent arbitration awards made against labor by the Civic Federation, as in the case of the San Francisco ironworkers' strike, the Boston freight handlers' strike, and other strikes too numerous to mention. Also in the damaging criticisms made against it by the Manufacturers' Association, a rival body, which virtually charges it with forming an alliance with the A.F. of L. labor unions in order to affect and maintain trade and labor monopolies. The Civic Federation advocates the trade agreement. This trade agreement ends at different dates for the different crafts, binds the trade union to

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furnish employes in case of strike without resort to arbitration (which often occurs through deliberate violation of the agreement by employers) and compels employes to join the unions. The result is the mutual antagonism of trades unions, and enforced union membership, all of which redounds to the interests of the capitalists affiliated with the trades unions. The membership of the Civic Federation is preponderantly capitalist. All its important offices are filled by capitalists; the "labor leaders" filling the vice-presidencies and vice-chairmanships. The Civic Federation executive committee is composed of thirty-six members, twelve of them represent labor, twelve capital, and twelve "the public." It would require a "million magnifying glass," to quote Sammy Weller, to distinguish the last from the second, so alike are they in thought, interests and conclusions. The American Federation of Labor is allied with the Civic Federation, its president, Samuel Gompers, being first vice-president. When Mark Hanna died, Gompers did not succeed him to the presidency, as was expected under the ordinary rules of parliamentary procedure, but August Belmont, another capitalist, was elected over his head to fill the vacancy. This is another indication of the preponderating ultra-capitalist influence in the Civic Federation.

### MEMBERSHIP AND POLITICS OF THE A. F. OF L.

When the A.F. of L. was organized in 1881,<sup>5</sup> it had less than 50,000 members. The labor historical works of

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<sup>5</sup> See chart in Sept. 1904 *American Federationist*, P. 731.

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the eighties make very little mention of it. The Knights of Labor was the dominant organization. With this the American Federation of Labor warred. It logically took issue with the Knights of Labor policy of centralization, secrecy, and socialistic tendencies, especially the sympathetic strike. Political and economic corruption in the Knights of Labor helped this war along. Many are the instances of mutual scabbing that can be recorded in this fight for preservation and ascendancy. The American Federation of Labor gradually won, until in 1890, its membership is claimed to have been 250,000. The membership fluctuated between this figure and 350,000 during the following nine years. Then suddenly, during the period of open affiliation with capitalist organization via the trade agreement—in 1899—it leapt to 600,000. Now under Civic Federation patronage, the American Federation of Labor claims a membership of 2,000,000. This abnormal growth alone reveals the pro-capitalist character of the American Federation of Labor. The American Federation of Labor has increased wages, reduced hours and secured improved conditions for its members, but these have been offset by increased cost of living, intensification of labor, the growth of child labor, and other abnormal conditions beyond its influence and control. The American Federation of Labor's policy of securing favorable legislation "through the influence of organized labor," is confessedly a failure; Mr. Gompers "independent union labor politics," in the congressional campaign of 1906, leaving no doubt on that score.

### MANIFESTO OF THE S.T. AND L.A.

It was amid such influences and against such an

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opponent that the Socialist Trade and Labor Alliance was formed. The Socialist Trade and Labor Alliance issued a manifesto setting forth its aims and objects. Declaring that Capitalism had made it impossible for the workingman to be an independent producer, the introduction of mechanical powers having reduced the workers to dependence on the owners thereof, the Socialist Trade and Labor Alliance pointed out that the worker's labor power has become a commodity bought and sold in the labor market like potatoes or shoe leather; hence the wages of labor rose and fell according to the supply and demand of labor. The Socialist Trade and Labor Alliance further declared that since the general tendency of wages depends on the labor market, "it will be downward whenever and wherever the number of available workers exceeds the numbers in demand." "The old style labor organization of English origin," which seeks to raise the price of labor by cornering the labor market is shown to be a mere reliance on numbers which does not take into consideration the essential factors which tend to defeat the most numerous combination. These are: first, the inability of the worker to hold his labor power in reserve; second, the power of the capitalist to create a surplus labor supply by introducing new and improved machinery, thereby depressing the price and breaking the combination; third, the ability of the capitalist, through the agency of the government, to suppress all labor combinations formed to raise wages as a crime. These three factors are held to be the direct result of the capitalist system, which compels the laborer under fear of starvation to sell his labor power to the capitalist at the latter's terms; gives the capitalist a monopoly of the

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means of production, thereby enabling him to improve machinery and overstock the labor market to his own advantage; and, finally, makes the machinery of government an agency of the capitalist class. Other factors, such as competition, which compels the improvement of labor-displacing machinery, and trusts, which reduce the labor forces employed in industry and drive the middle into the working class, are also shown to make for capitalist ascendancy over the old style English no-politics-in-the-union labor trust.

### THE DOUBLE SEAT OF POWER.

The Socialist Trade and Labor Alliance conclusion is that "A serious consideration of the facts that control the condition of labor show very plainly that no appreciable improvement is possible as long as the capitalist remains in possession of the means of production and exchange, and in control of the powers of government. It is plain, therefore, that all efforts for such improvement must be chiefly directed to the ousting of the capitalist class from *that double seat of power.*"

The Socialist Trade and Labor Alliance promised nothing impossible. It knew "that final victory is possible, aye, assured." It aimed, while the capitalist system lasted, to use the economic organization to wring temporary advantages from the capitalist. It recognized the fact that Capitalism drives workingmen to combine, strike and boycott; and believed that "actuated with the common interests of all the workers" it could maintain a better fight than could the old style organization, while defeats would be considered "merely as skirmishes preceding the great battle of emancipation."



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### S.T. AND L.A. DECLARATION OF PRINCIPLES.

In addition to this manifesto, the Socialist Trade and Labor Alliance issued a declaration of principles, as follows:

“Whereas, In the natural development of Capitalism, the class struggle between the privileged few and the disinherited masses, which is the inevitable and irrepressible outcome of the wage system, has reached a point where the old forms, methods and spirit of labor organization are absolutely impotent to resist aggressions of concentrated capital, sustained by all the agencies of government, and to effect any permanent improvement in the condition of the wage earners, or even to arrest for any length of time their steady and general degradation; and

“Whereas, The economic power of the capitalist class, used by that class for the oppression of labor, rests upon institutions essentially political, which in the nature of things cannot be radically changed, or even slightly amended for the benefit of the working people, except through the direct action of the working people themselves, economically and politically united as a class;

“Therefore, It is as a class, conscious of its strength, aware of its rights, determined to resist wrong at every step, and sworn to achieve its own emancipation that the wage workers are hereby called upon to unite in a solid body, held together by an unconquerable spirit of solidarity under the most trying conditions of the present class struggle. As members of the Socialist Trade and Labor Alliance of the United States and Canada, we shall constantly keep in view its great

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object, namely: The summary ending of that barbarous struggle at the earliest possible time by the abolition of classes, the restoration of the land and of all the means of production, transportation and distribution to the people as a collective body, and the substitution of the Co-operative Commonwealth for the present state of planless production, industrial war and social disorder; a commonwealth in which every worker shall have the free exercise and full benefit of his faculties, multiplied by all the modern factors of civilization.”

### S.T. AND L.A. STRIKES AND EFFECTS ON S.L.P.

Senator Perkins of California, startled the U.S. Senate in 1897, with the foregoing declaration of principles, saying: “This is how the working class is organizing now.” It was in accordance with these principles that the Pittsburg, Pa., Steel Pressed Car Company and the Slaterville, R.I., textile strikes—the leading S.T. & L.A. strikes—were fought and won.

The indorsement of the Socialist Trade and Labor Alliance did not affect the vote of the Socialist Labor Party unfavorably. It rose in 1896 from 34,869 the year previous, to 36,275. This too despite the terrific middle-class-free-silver-Bryan-plutocratic fight of that memorable year, which swept millions of working class votes into the vortex of reactionary politics. Thus it was that a new party entered the arena of American politics in 1896—a party of labor reflecting the interests of the economic organization of labor—the unions—just as the parties of capital reflect the interests of the economic organizations of capital—the farmer’s alliance, the middle class manufacturers’ associations, and the trusts.

## CHAPTER XII.

### THE SOCIALIST PARTY.

Despite the fact that the vote of the Socialist Labor Party climbed steadily upward, resulting in securing the balance of power in New York state, the party underwent another upheaval in 1899. This more profoundly affected the labor and socialist movement than did the disaffection of ten years prior. The issue was primarily the attitude of the party toward trades unions. Other issues, such as the stand of the party on taxation, utopian Socialism and reform were also factors, but merely as the outcroppings of the main question. A faction, led and inspired by the *Volkszeitung* Corporation, a German stock company, publishing a German daily newspaper of that name, and for many years the dominant institution in the socialist movement of this country, largely dependent on and consequently controlled by the contributions and advertising patronage of the American Federation of Labor unions, sought to secure absolute supremacy in the party and confine the latter's trade union activities to "boring from within." This practical repudiation of the Socialist Trade and Labor Alliance caused a vigorous discussion between the *Volkszeitung*, and the Socialist Labor Party's official organs, *Vorwaerts* (German, edited by Hugo Vogt) and *The People* (English, edited by Daniel De Leon), on the question primarily involved, together with those arising from it, in which the *Volkszeitung* was worsted. A rump meeting of Section New York, which elected the National Executive Committee of the Party and was,

consequently, the strategic seat of battle, followed on July 8, as did an attempted forcible seizure of the Party organs, on July 10, in which blood was shed and the *Volkszeitung* element put to rout. Litigation in court, inaugurated by the *Volkszeitung* element for the possession of the Party organs and names, also resulted in a triumph for the Socialist Labor Party. The sum total of this trades union and allied disputes was a "split"; not the first, nor the last, that the Socialist movement will witness, for these will occur as often as the material interests affected, combined with the changing conditions, demand it. The *Volkszeitung* element, subsequent to its triple defeat, held a convention in Rochester, N.Y., and set up a rival Socialist Labor Party. This organization was short-lived, for the *Volkszeitung* element, with an eagerness which left no room for mistake as to its isolation and unfitness, hastened to fasten itself on the Social Democracy of America.

This organization was formed at Chicago, June 1897. It was an outgrowth of the American Railway Union, led by Eugene V. Debs, which, beaten in the Pullman strike by reason of its youthfulness, now embarked on the troubled waters of utopian Socialism, as expressed in colonization. The plan was to select a state, like Washington, build colonies, secure economic and political control, and, gradually conquer neighboring states for Socialism by the combined power of possession and successful example. In Chicago, on June 7, 1898, in convention assembled, the Social Democracy of America became the Social Democratic Party. Then colonization was abandoned for political action. It was at Indianapolis, Ind., July 1900, that a consolidation was effected between the defeated *Volkszeitung* element and

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the Social Democratic Party. This consolidation was not affected without considerable friction, each of the consolidated forces seeking to secure control of the new party to the exclusion of the other, resulting in the formation of rival administrative and executive bodies. However, in the following year, in the same month and the same city, the consolidation was effected and the new party stepped forth as the Socialist Party of America.

### SOCIALIST PARTY THE ANTITHESIS OF SOCIALIST LABOR PARTY.

The Socialist Party of America was the antithesis of the Socialist Labor Party, in that, in contrast to the uncompromising socialist economic and political attitude of the latter, it was an opportunistic—vote-getting—party. It appealed to all the discontented elements in the land, regardless of ultimate tendencies or present political affiliations. This fact is reflected in its “farmers demands”; now discarded; and its “immediate demands” (for government ownership) which are populist and Hearstistic, and, consequently, reactionary in character; and in its political deals with Democrats, Republicans, Citizens’ League men and others, which savor of fusion and corruption, and which are recorded in its controversial and official publications, to which the reader is referred for dispassionate proof. But, worst of all, the Socialist Party is officially a servile supporter of the Gompers anti-socialist Civic Federation trades unionism. While professing a new doctrine along with “boring from within,” that of “neutrality,” the Socialist Party is decidedly pro-capitalist in its trades

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unionism. This was shown at the 1904 Chicago convention of the party in the rejection of the Ott resolution, which is as follows:—

“The Socialist Party also wishes to denounce before the workers of this land the treacherous, deceitful work of the conglomeration between several labor leaders, so-called, and the captains of industry, such as the National Civic Federation, and other like institutions, and brand these combinations as instruments of the capitalist class to perpetuate the system of to-day, and to use organized labor as tools for that purpose.”

A contrary resolution, that was substituted, was voted instead. The *American Labor Union Journal*, commenting on this substitute resolution, declared, “*as it stands the Socialist Party is committed to scab herding.*”

It was under the foregoing circumstances, combined with the working class popularity of its presidential candidate, Eugene V. Debs, and the ultra-conservative attitude of the Democratic Party, which, bereft of its Altgeldism and Bryanism, is hardly distinguishable from plutocratic Republicanism, that the Socialist party polled 97,000 votes in 1900, and over 400,000 in 1904. In the meanwhile the Socialist Labor Party vote was 34,000 in both of these presidential elections.

### THE SOCIALIST PARTY EVOLUTING SOCIALIST LABOR PARTYWARD.

But a change is coming over the Socialist party. It is now undergoing the same evolution from chaos and indefiniteness to clearness and class-consciousness as did the Socialist Labor Party, and on the higher plane

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now demanded by the greater progress of the Socialist movement. Unsparingly criticized and tutored by the Socialist Labor Party, clarified by their own internal conflicts and conditions, the working class element, under the leadership of Eugene V. Debs, is now pushing the trades union question, the magic touchstone of true Socialism, to the front, in a newer phase than that which originally presented itself to the Socialist Labor Party in the Socialist Trade and Labor Alliance. The Socialist Labor Party was then primarily concerned with trades unions as bulwarks of Capitalism, and combatted them as such. The Socialist party is primarily concerned with trades unions as the framework of future socialist society. Together with the Socialist Labor Party it is called on to organize unions that will be able and ready to take over and administer the means of production and distribution in the interests of the working class—of society—when the time for such action arrives. Such a union will prevent any capitalist attempt to render nugatory the political victories of labor. Such a union accordingly is the economic power that has given force to all the political achievements of past ruling classes, including the capitalist; and, as such, is essentially political in its nature. This is more so the case when it is considered that such unionism will supplant the present form of government based on territorial representation for one of industrial administration based on industrial representation. This unionism is called industrial unionism.<sup>6</sup>

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<sup>6</sup> See *The Preamble of the I.W.W.*, by Daniel De Leon. Published by New York Labor News Co., 2-6 New Reade Street, New York City. Price, 5 cents.

## CHAPTER XIII.

### INDUSTRIAL UNIONISM.

Industrial unionism regards industry in a two-fold light; first, as an integralized whole, not as a collection of separate crafts; second, as the high training school to the Socialist Republic, not as a means to the perpetuation of Capitalism.

#### THE WESTERN FEDERATION OF MINERS.

Industrial unionism was first espoused by the Western Federation of Miners, formed in 1893, and seceded from the American Federation of Labor in 1897. The Western Federation of Miners is composed of metaliferous miners, and for the past nine years has successfully resisted every attempt to destroy it, both by political and economic means—the American Federation of Labor being prominent in the opposition to it. It secured the passage of the eight-hour constitutional amendment in Colorado, the attempted enforcement of which by means of strikes, led in 1903–4 to a most dastardly commission of high-handed crime by the state administration, under Governor Peabody, and the Mine Owners' Association, of which Peabody was a member. The mining centres struck by the Federation were placed under martial law without any cause therefore, except to serve as a cloak for the villanies of Peabody and the Mine Owners' Association; and the miners were ruthlessly hunted down, deported, or confined in herds in loathsome bull pens, while their homes and meeting places were invaded and their wives, friends and



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upholders subjected to every humiliation and degradation; those county officials who failed to do the bidding of Peabody and the Mine Owners' Association being given the alternative of either resigning or, in case of persistent refusal to perform the duties of their office according to oath, to dangle from the ends of nooses, which were exhibited to them for their sole intimidation. Crimes were committed with the intention of fastening them upon the officers of the Western Federation of Miners; but these crimes were traced, through the confessions of detectives employed by the Mine Owners' Association, who were tripped on the witness stand, to the Mine Owners, Association itself.<sup>7</sup>

The Western Federation of Miners did not triumph in its Herculean struggle for the eight-hour day. Peabody was subsequently defeated for re-election; but succeeded in attaining office through the most glaring fraud ever perpetrated in American politics. Despite the hardships to which it was subjected, the Western Federation of Miners grew to great proportions, until to-day, thanks to its principles of industrial unionism, it can stand alone, requiring neither the aid of Gompers nor Mitchell; and is, on that account, again being subjected to further persecution, its President, Chas. Moyer, its Secretary, Wm. Haywood, and a very active ex-member of the Executive Board, Geo. Pettibone, being kidnapped in the spring of 1906 from their homes in Colorado to the state of Idaho, on the charge of killing ex-Governor Steunenberg—a charge that is based on the confession of

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<sup>7</sup> The reader is referred to Chapter XX, Senate Document 122, 58th Congress, 3rd Session. The latter is a report of the Colorado Labor troubles, issued by the Commissioner of Labor at Washington, D.C.

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a self-admitted murderer, in the employ of a detective agency operating in the pay of the Mine Owners' Association. This latest outrage has stirred the working class of the nation to such an extent that, what was evidently planned to be a speedy hanging degenerated, on behalf of Gov. Gooding of Idaho, who was re-elected, into a bid for votes; with the prospects of the eventual liberation of Moyer, Haywood and Pettibone.

### THE AMERICAN LABOR UNION.

In 1903, the Western Federation of Miners was the leading spirit in forming the American Labor Union composed of itself and unions in the Western industries closely allied with it. In the December, 1904, issue of *The American Labor Union Journal*, the purpose of industrial unionism, on the principles of which the American Labor Union was founded, were defined as follows: "The economic organization of the proletariat is the heart and soul of the Socialist movement, of which the political party is simply the public expression at the ballot box. The purpose of industrial unionism is to organize the working class on approximately the same departments of production and distribution as those which will obtain in the Co-operative Commonwealth, so that, if the workers should lose their franchise, they would still possess an economic organization intelligently trained to take over and collectively administer the tools of industry and the sources of wealth for themselves."

This principle is the same as that enunciated by Daniel De Leon, one of the founders of the S.T. & L.A., in his lecture *The Burning Question of Trades Unionism*,

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delivered in the spring of 1904. As utilized by the American Labor Union, the principle differs from the underlying principle of the S.T. & L.A., in that it accentuates the economic side of trades unionism, and provides the means whereby the S.T. & L.A. spirit may be realized.

### THE INDUSTRIAL WORKERS OF THE WORLD.

The American Labor Union took the initiative in calling the Chicago conference, held in that city in January, 1905. This conference issued a manifesto calling for a convention to launch a new national labor organization on the lines of industrial unionism. This convention met in Chicago, July 1905, and was remarkable for its able criticism of the American Federation of Labor and its debates on the two-fold character—economic and political—of the labor and socialist movement.<sup>8</sup> At this convention the Industrial Workers of the World was formed. The Socialist Trade and Labor Alliance was represented at both the January conference and the July convention; and was merged, together with the American Labor Union, and many other unions there represented, into the new organization. The principles, objects, spirit and forms of the I.W.W. are clearly and well set forth in its preamble, as follows:

“The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among millions of working

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<sup>8</sup> See “Stenographic Report of the First Annual Convention of the Industrial Workers of the World.” Published by New York Labor News Co., 2-6 New Reade street, N.Y. City. Price, cloth, \$1.50; paper, \$1.00.

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people and the few, who make up the employing class, have all the good things of life.

“Between these two classes a struggle must go on until all the toilers come together on the political as well as on the industrial field, and take and hold that which they produce by their labor, through an economic organization of the working class, without affiliation with any political party.

“The rapid gathering of wealth and the centering of the management of industries into fewer and fewer hands make the trades union unable to cope with the ever-growing power of the employing class, because the trades unions foster a state of things which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping defeat one another in wage wars. The trades unions aid the employing class to mislead the workers into the belief that the working class have interests in common with their employers.

“These sad conditions can be changed and the interests of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries, if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.”

### SOCIALIST UNITY.

Since its launching the I.W.W. membership has more than doubled, and is now estimated at over 65,000. The I.W.W. is now presented as the basis of unity between the Socialist and Socialist Labor Party; and is doing much to clarify the entire labor and socialist movement

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of this country. Unity conferences between organizations of the two parties have been held, the most notable being the New Jersey Unity Conference.<sup>9</sup>

Thus it is that, in this modern adaptation of the advice of Thomas Skidmore, quoted in Chapter IV, the working class is preparing to take and hold that which they produce, and, in the words of Daniel De Leon, save the trust and throw it open to all society.

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<sup>9</sup> See *Proceedings of the New Jersey Socialist Unity Conference*, James Reilly and John Hossack, Sec'y.

## CHAPTER XIV.

### CONCLUSION.

Let us, in a brief resume, conclude. Casting our eyes down the pages of American history, we see resulting from its industrial development, three sharply defined classes, with three sharply defined missions. We see the ultra-financial or ultra-capitalist class, the middle class, and the working class, in perpetual strife, in the defense and promotion of their economic and political interests and aspirations, with the ultra-financial or ultra-capitalist class triumphant, the middle class defeated, and the working class fast becoming the only antagonist to ultra-finance or ultra-Capitalism worthy of the name. As we look about us to-day, upon the culmination of this development, we find, that even with a House of Representatives and a strenuous President to back it, the middle class—small shipper, farmer, and manufacturer—cannot enact a modern Granger law, in the shape of a railroad rate act, without such amendments as will sacrifice their own interests and advance those of their economic and political opponents, the ultra-capitalist class—a crushing defeat for the class that was once able to modify the course of Capitalism in the interests of political and economic democracy, as it did in the early formative periods of the nation. If we cast observing glances about us to-day we will also see that while trust magnates are prosecuted, fined and imprisoned, the trust goes serenely on its way, reaching greater dimensions than ever before, entering even retail distribution, integralizing, and piling up net earnings

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surpassing those of preceding decades, to the discomfiture of those economists who fain would have us regard the trust as a passing phenomenon whose abnormality would soon destroy itself, and permit its “normal” rival of lesser bulk to exist and prevail! We see further, if alert and attentive, Wm. R. Hearst, the present-day embodiment of anti-trustism, prevented, in the New York mayoralty campaign of 1905, from taking office by methods indicative of wholesale counting out—the Chicago Socialist Labor Party and the Henry George campaigns enacted once more. In brief, which ever way we cast our receptive retina, it is impressed with the presence of a triumphant plutocracy and a defeated democracy—using the latter phrase to typify those elements that were once truly national forces—the small manufacturer and farmer. Further investigation also brings home to our sense-perception, as we look about us to-day, the presence of a rapidly developing working class that, conscious of its important functions and status in society is determined to combat ultra-Capitalism not from a reactionary and destructive standpoint, but from an evolutionary and revolutionary one instead. The ultra-financial or ultra-capitalist class, parasitic and immoral to the core, would save the integralized trust for itself, in order that it may continue to fleece society and perpetuate its decadent reign; the minor grade capitalist or middle class would control the integralized trust with a view to destroying it; or have certain of its features state-owned for its especial relief; the working class would take and hold the integralized trust for the benefit of the whole of society. It recognizes the one salient fact of modern life, to wit, that capital is no longer individual in form or operation; that it is only

possible of creation and maintenance through the joint labors of hundreds, thousands, aye millions, is, in brief, social in origin and results, and should therefore be owned by society, and not by private individuals called capitalists, organized in corporations. Recognizing that capital must be social in ownership as well as in form, operation and results, the working class advocates the abolition of Capitalism and the capitalist class, just as in preceding American social systems the oncoming, rising class of burghers and commoners advocated the abolition of monarchy and the nobility, chattel slavery and the slave-holding oligarchy, because they recognized the social or democratic form of government and life. American history repeats itself on a modern plane.

To achieve these ends, the American working class has gone through the triple forms of technical, protective and constructive organization, in steady progression. That it has met with frequent failures in its striving for the ideal is no argument against its final attainment. The American nation did not spring, like another Jove, full-fledged from the heads and the hearts, i.e., the ideals, of its dreamers, philosophers, warriors—in brief, its founders. These had to wait on conditions to admit of their realization. Only through the defensive union necessitated by the French and Indian wars, and the aggravating stimulus of the two-fold oppression of Great Britain, could congress and the nation ensue from the war for independence—a longer stretch of history, fuller of traitorous acts, defeats and failures than the mere words imply; yet, withal, only actually successful in succeeding decades, thanks to Western Democracy and the Civil War. So with the American working class or socialist movement: its ideals must also wait on



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evolution to create the conditions that will make them real, that will transform them from the stuff of which dreams are made to the concrete social institutions that will conduce to the happiness and progress of the entire human family. Evolution is doing its part—and doing it with cumulative rapidity. The ultra-financial or ultra-capitalist class, through its multifarious scandals, arising from its fierce factional struggles for the control of integralized industry, is laying bare its own parasitic and immoral nature, thus aiding in the destruction of the wall of reverence for its alleged superiority behind which it has so conveniently and hypocritically found a safe refuge. The tainted money discussion has also contributed to the same end, while, at the same time making clear the nefarious position of the church (one of Socialism's most brazen, yet puny opponents), regarding capitalist immorality; a position, that now, as in slavery times, stamps the church as the causuistical upholder of iniquity and villainy; an enemy of social purity and progress; a mouther of high morality and a practitioner of dung-hill virtue, worthy only of the scorn and contempt of the men and women who love life and ponder deeply o'er its mysterious origin and cause, and yet never, for one moment, think of using that mystery, as does the church, for the enslavement of their fellow men and women. The ruthless crushing out of competition, the burning of cotton and wheat to keep supply within profit, regardless of social needs, the effective control of elections and legislation, together with the impotent anti-trust punishment administered by the courts and the disclosures of Upton Sinclair, have made more evident to intelligent men, especially workingmen, that the integralized trust magnates are

all powerful, and their overthrow is only possible by a revolution, led and carried to success by a revolutionary working class. Add to all this the facts revealed by Robert Hunter, in his book *Poverty*, namely, that we possess 7,000,000 poor and 3,000,000 paupers, while one per cent. of the families of the nation own more wealth than the remaining ninety-nine; add also, and above all else, the development of the constructive features of the trusts and the industrial unions—two great divergent yet converging tendencies—and we have a fairly good presentation of the conditions that go to help in making the ideals of Socialism real.

The working class is learning fast from American history. Four sets of facts impress it: one, the defeat of strikes and unions by political means, viz.: police, militia and courts; two, the corruption of strikes and unions in the interests of the capitalist class by “labor leaders,” a la Gompers and Mitchell; three, the failure to capture the political means by working class parties through fraud (counting out); and four, the corruption of working class parties in the interests of the capitalist class. In other words, it sees the same set of facts militating against politics that militates against unionism, and vice-versa. And to the workman who says: “Trades unions alone will win labor’s battle,” it asks, “Where’s the proof; in Homestead, Pullman, or Colorado?” To the workman who declares, “Only a working class political victory will give us freedom,” it asks, “Do the words of Spies, and the fate of Henry George, Adams and Hearst justify that assertion?” The working class of this country has a history that repudiates lop-sidedness. Hence the working class is becoming comprehensive. It is backing its unions with politics; and its politics with

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unions, on class conscious lines.

An historical resume of the industrial evolution of this country, together with its social and political effects, makes patent the fact that Socialism, like a winding Mississippi, periodically recedes, only, under the flood of capitalist progress, to rise again and submerge the banks of society, depositing thereon a rich alluvial, productive of the finest vegetation. Or to adopt another simile: like the waves of the ocean Socialism recedes, only to return with such force, under the impetus of capitalist evolution, as to demolish the strong bulkheads of Capitalism erected during the interim. Socialists, weary at heart with internecine warfare, disgusted with the apathy of the members of the working class, who are blind to their own interests, and discouraged with the petty daily features of their movement, may bemoan its seemingly puny status, when contrasted with overtowering Capitalism, but an historical resume will impress them with its steady, upward growth, *as a distinctive power*, in the face of the great obstacles born of the irrepressible conflict of class interests. Socialism is the greatest, grandest, moral and social force of the age; the Herculean cleaner of the Augean stables of Capitalism, and the perennial hope of the modern world. Capitalism may affect to deride Socialism; but whatever virtues its factory and tenement reforms, its "social service" and "welfare work," its anti-militarism may possess, are tubs thrown to the socialist whale. Capitalism may affect to deride Socialism, but its electoral baits, threats and frauds, its repeated judicial and military suppression of Socialism's manifestations, its newspaper and magazine discussion of Socialism, now no longer academic and condescending, but deadly

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practical like a man in the grip of an overpowering antagonist, show that Socialism is the one factor that dictates the course of Capitalism, the one thing it dreads, and dreading, coaxes, bulldozes, oppresses and combats, all to no avail, for Socialism refuses both the blandishments and the kicks of Capitalism, and like another God of old laughs at the contortions of its creature, while going serenely on its way, preparing the inevitable moment when it will end his impudent career. We are living in revolutionary times, and Socialism leads the way. It has its martyrs, not alone in the splendid men whose names are forever emblazoned on the pages of our history—in the gifted, cultured Spies, the fiery, magnanimous Parsons, the impetuous, defiant Lingg, and their self-sacrificing compatriots of 1887—but in the humblest, workingmen and workingwomen—the Irish laborer, the Jewish operator, the German mechanic, the Italian artisan and the American railroad worker or miner—all of whom give unselfishly of their small possessions and their great selves to the grand cause—the cause of humanity. The writer knows these men and women well. He has been of them, feeling the thrill of their aspirations, enjoying the keenness of their intellectual dissections of Capitalism, and marvelling at the beauty of their moral lives. True, they are not all like that; the fakir, the ingrate, and the consummate villain who would live like a vampire on these noble types, also abound; but woe to him who thinks that they are the Socialist movement. Woe to him who thinks that upon them he can count to destroy Socialist principle and aspiration! He will build on a foundation of shifting sand, from which the Socialist structure never suffers, because it is more broadly based,

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having its foundations in the material changes, which, underlying all societies, give rise to, and make possible, their varied aspirations and ideals!

Long live the working class! Long live Socialism!

THE END.