

WEALTH AGAINST COMMONWEALTH

CHAPTER I

“THERE ARE NONE”—“THEY ARE LEGION”

NATURE is rich ; but everywhere man, the heir of nature, is poor. Never in this happy country or elsewhere—except in the Land of Miracle, where “they did all eat and were filled”—has there been enough of anything for the people. Never since time began have all the sons and daughters of men been all warm, and all filled, and all shod and roofed. Never yet have all the virgins, wise or foolish, been able to fill their lamps with oil.

The world, enriched by thousands of generations of toilers and thinkers, has reached a fertility which can give every human being a plenty undreamed of even in the Utopias. But between this plenty ripening on the boughs of our civilization and the people hungering for it step the “cornerers,” the syndicates, trusts, combinations, with the cry of “over-production”—too much of everything. Holding back the riches of earth, sea, and sky from their fellows who famish and freeze in the dark, they declare to them that there is too much light and warmth and food. They assert the right, for their private profit, to regulate the consumption by the people of the necessaries of life, and to control production, not by the needs of humanity, but by the desires of a few for dividends. The coal syndicate thinks there is too much coal. There is too much iron, too much lumber, too much flour—for this or that syndicate.

The majority have never been able to buy enough of anything; but this minority have too much of everything to sell. Liberty produces wealth, and wealth destroys liberty. "The splendid empire of Charles V.," says Motley, "was erected upon the grave of liberty." Our bignesses—cities, factories, monopolies, fortunes, which are our empires, are the obesities of an age gluttonous beyond its powers of digestion. Mankind are crowding upon each other in the centres, and struggling to keep each other out of the feast set by the new sciences and the new fellowships. Our size has got beyond both our science and our conscience. The vision of the railroad stockholder is not far-sighted enough to see into the office of the General Manager; the people cannot reach across even a ward of a city to rule their rulers; Captains of Industry "do not know" whether the men in the ranks are dying from lack of food and shelter; we cannot clean our cities nor our politics; the locomotive has more man-power than all the ballot-boxes, and mill-wheels wear out the hearts of workers unable to keep up beating time to their whirl. If mankind had gone on pursuing the ideals of the fighter, the time would necessarily have come when there would have been only a few, then only one, and then none left. This is what we are witnessing in the world of livelihoods. Our ideals of livelihood are ideals of mutual deglutition. We are rapidly reaching the stage where in each province only a few are left; that is the key to our times. Beyond the deep is another deep. This era is but a passing phase in the evolution of industrial Cæsars, and these Cæsars will be of a new type—corporate Cæsars.

For those who like the perpetual motion of a debate in which neither of the disputants is looking at the same side of the shield, there are infinite satisfactions in the current controversy as to whether there is any such thing as "monopoly." "There are none," says one side. "They are legion," says the other. "The idea that there can be such a thing is absurd," says one, who with half a dozen associates controls the source, the price, the quality, the quantity of nine-tenths of a great necessary of life. But "There will soon be a trust for every

production, and a master to fix the price for every necessity of life," said the Senator who framed the United States Anti-Trust Law. This difference as to facts is due to a difference in the definitions through which the facts are regarded. Those who say "there are none" hold with the Attorney-General of the United States and the decision he quotes from the highest Federal court which had then passed on this question¹ that "no one has a monopoly unless there is a "disability" or "restriction" imposed by law on all who would compete. A syndicate that had succeeded in bottling for sale all the air of the earth would not have a monopoly in this view, unless there were on the statute-books a law forbidding every one else from selling air. No others could get air to sell; the people could not get air to breathe, but there would be no monopoly because there is no "legal restriction" on breathing or selling the atmosphere.

Excepting in the manufacture of postage-stamps, gold dollars, and a few other such cases of a "legal restriction," there are no monopolies according to this definition. It excludes the whole body of facts which the people include in their definition, and dismisses a great public question by a mere play on words. The other side of the shield was described by Judge Barrett, of the Supreme Court of New York. A monopoly he declared to be "any combination the tendency of which is to prevent competition in its broad and general sense, and to control and thus at will enhance prices to the detriment of the public. . . . Nor need it be permanent or complete. It is enough that it may be even temporarily and partially successful. The question in the end is, Does it inevitably tend to public injury?"²

Those who insist that "there are none" are the fortunate ones who came up to the shield on its golden side. But common usage agrees with the language of Judge Barrett, because

¹ Annual Report Attorney-General of the United States, 1893.

² *People of the State of New York vs. The North River Sugar Refining Company*. Supreme Court of New York—at Circuit (January 9, 1889). *Trusts*, New York Senate, 1889, p. 278.

it exactly fits a fact which presses on common people heavily, and will grow heavier before it grows lighter.

The committee of Congress investigating trusts in 1889 did not report any list of these combinations to control markets, "for the reason that new ones are constantly forming, and that old ones are constantly extending their relations so as to cover new branches of the business and invade new territories."

It is true that such a list, like a dictionary, would begin to be wrong the moment it began to appear. But though only an instantaneous photograph of the whirlwind, it would give an idea, to be gained in no other way, of a movement shadowing two hemispheres. In an incredible number of the necessities and luxuries of life, from meat to tombstones, some inner circle of the "fittest" has sought, and very often obtained, the sweet power which Judge Barrett found the sugar trust had: It "can close every refinery at will, close some and open others, limit the purchases of raw material (thus jeopardizing, and in a considerable degree controlling, its production), artificially limit the production of refined sugar, enhance the price to enrich themselves and their associates at the public expense, and depress the price when necessary to crush out and impoverish a foolhardy rival."

Corners are "acute" attacks of that which combinations exhibit as chronic. First a corner, then a pool, then a trust, has often been the genesis. The last stage, when the trust throws off the forms of combination and returns to the simpler dress of corporations, is already well along. Some of the "sympathetical co-operations" on record have no doubt ceased to exist. But that they should have been attempted is one of the signs of the time, and these attempts are repeated again and again until success is reached.

The line of development is from local to national, and from national to international. The amount of capital changes continually with the recrystallizations in progress. Not less than five hundred million dollars is in the coal combination, which our evidence shows to have flourished twenty-two years; that

in oil has nearly if not quite two hundred millions; and the other combinations in which its members are leaders foot up hundreds of millions more. Hundreds of millions of dollars are united in the railroads and elevators of the Northwest against the wheat-growers. In cattle and meat there are not less than one hundred millions; in whiskey, thirty-five millions; and in beer a great deal more than that; in sugar, seventy-five millions; in leather, over a hundred millions; in gas, hundreds of millions. At this writing a union is being negotiated of all the piano-makers in the United States, to have a capital of fifty millions. Quite beyond ordinary comprehension is the magnitude of the syndicates, if there is more than one, which are going from city to city, consolidating all the gas-works, electric-lighting companies, street-railways in each into single properties, and consolidating these into vast estates for central corporations of capitalists, controlling from metropolitan offices the transportation of the people of scores of cities. Such a syndicate negotiating in December, 1892, for the control of the street-railways of Brooklyn, was said by the *New York Times*, "on absolute authority, to have subscribed \$23,000,000 towards that end, before a single move had been made or a price set on a single share of stock." It was in the same hands as those busy later in gathering together the coal-mines of Nova Scotia and putting them under American control. There are in round numbers ten thousand millions of dollars claiming dividends and interest in the railroads of the United States. Every year they are more closely pooled. The public saw them marshalled, as by one hand, in the maintenance of the high passenger rates to the World's Fair in the summer of 1893. Many rates are higher than thirty years ago.

Many thousands of millions of dollars are represented in these centralizations. It is a vast sum, and yet is but a minority of our wealth.

Laws against these combinations have been passed by Congress and by many of the States. There have been prosecutions under them by the State and Federal governments. The laws and the lawsuits have alike been futile.

In a few cases names and form of organization have been changed, in consequence of legal pursuit. The whiskey, sugar, and oil trusts had to hang out new signs. But the thing itself, the will and the power to control markets, livelihoods, and liberties, and the toleration of this by the public—this remains unimpaired; in truth, facilitated by the greater secrecy and compactness which have been the only results of the appeal to law.

The Attorney-General of the national government gives a large part of his annual report for 1893 to showing "what small basis there is for the popular impression" "that the aim and effect of this statute" (the Anti-Trust Law) "are to prohibit and prevent those aggregations of capital which are so common at the present day, and which sometimes are on so large a scale as to practically control all the branches of an extensive industry." This executive says of the action of the "co-ordinate" Legislature: "It would not be useful, even if it were possible, to ascertain the precise purposes of the framers of the statute." He is the officer charged with the duty of directing the prosecutions to enforce the law; but he declares that since, among other reasons, "all ownership of property is a monopoly, . . . any literal application of the provisions of the statute is out of the question." Nothing has been accomplished by all these appeals to the legislatures and the courts, except to prove that the evil lies deeper than any public sentiment or public intelligence yet existent, and is stronger than any public power yet at call.

What we call Monopoly is Business at the end of its journey. The concentration of wealth, the wiping out of the middle classes, are other names for it. To get it is, in the world of affairs, the chief end of man.

There are no solitary truths, Goethe says, and monopoly—as the greatest business fact of our civilization, which gives to business what other ages gave to war and religion—is our greatest social, political, and moral fact.

The men and women who do the work of the world have the right to the floor. Everywhere they are rising to "a point

of information." They want to know how our labor and the gifts of nature are being ordered by those whom our ideals and consent have made Captains of Industry over us; how it is that we, who profess the religion of the Golden Rule and the political economy of service for service, come to divide our produce into incalculable power and pleasure for a few, and partial existence for the many who are the fountains of the powers and pleasures. This book is an attempt to help the people answer these questions. It has been quarried out of official records, and it is a venture in realism in the world of realities. Decisions of courts and of special tribunals like the Interstate Commerce Commission, verdicts of juries in civil and criminal cases, reports of committees of the State Legislatures and of Congress, oath-sworn testimony given in legal proceedings and in official inquiries, corrected by rebutting testimony and by cross-examination—such are the sources of information.

One important exception is in the description of the operations of a great international combination in England, Germany, Holland, and elsewhere in Europe; this has had to be made from unofficial material. The people there are neither economically nor politically developed to the point we have reached in America, of using the legislative investigation and the powers of the courts to defend livelihoods and market rights, and enforce the social responsibilities of industrial power. Full and exact references are given throughout for the guidance of the investigator. The language of witnesses, judges, and official reports has been repeated verbatim, except for the avoidance of the surplusage and reduplication usual in such literature, and that, to permit the use of the dialogue form, the construction has been changed from the third person to the first in quotations from evidence. With these qualifications, wherever quotation marks have been used, the transcription is word for word. Evidence from such sources is more exact, circumstantial, and accurate than that upon which the mass of historical literature is founded.

To give the full and official history of numbers of these

combinations, which are nearly identical in inspiration, method, and result, would be repetition. Only one of them, therefore, has been treated in full—the oil trust. It is the most successful of all the attempts to put gifts of nature, entire industries, and world markets under one hat. Its originators claim this precedence. It was, one of its spokesmen says, "the parent of the trust system." It is the best illustration of a movement which is itself but an illustration of the spirit of the age.

¹ *Combinations*, by S. C. T. Dodd, p. 19.