

TRIUMPHANT PLUTOCRACY

The Story of
American Public Life
from 1870 to 1920

By
R. F. PETTIGREW
Formerly United States Senator
from South Dakota



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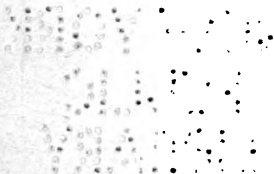
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IX. PLUTOCRACY

Bit by bit the evidence accumulated under my eyes until it constituted a mountain of irrefutable proof—the public domain seized and exploited by the interests and for their private profit; the concentration of power in the hands of the bankers; their manipulation of money for their own benefit; the tariff, used as a favor granted by Congress for the few to plunder the many; the wanton and reckless creation of trusts and aggregations of capital; the vast strength of the railroads and other public utility monopolies; the ferocious indifference of these interests to the public welfare and to the well being of the masses of the people—as I surveyed this evidence I could form only one possible conclusion—that the power over American public life, whether economic, social or political, rested in the hands of the rich.

It is said that in the past, in the days of the Roman Empire, when a wealthy Roman wished to build a villa he purchased the right to tax and govern a conquered province in Asia, and returned to Rome to enjoy his fortune. But when an American millionaire wishes to build a villa, or buy a title in Europe, he purchases a tariff privilege from the Congress of the United States, or corrupts a legislature or a city council and secures a franchise, and proceeds to rob his neighbors.

I am of the opinion that the Roman way was the best

Plutocracy is a word that means rule by and for the rich. The United States is a country run by and for the rich. Therefore, it is a plutocracy.

The rich few own the United States. The rich few who own it direct its public policy. For years these facts have been apparent to the discerning. Today even the short-sighted may see them quite plainly.

Real the following letter which Lincoln wrote to William P. Elkin on November 21, 1864:

"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the republic is destroyed. I feel, at this moment, more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless."

It has been well said by the famous English writer and philanthropist, Mr. Stead, that the modern business world has adopted a new Golden Rule as follows: "Dollars and dimes, dollars and dimes; To be without money is the worst of crimes. To keep all you get, and get all you can, Is the first and the last and the whole duty of man."

That this Golden Rule has been adopted by the so-called business men of the United States is evidenced by what has been accomplished in the distribution of the wealth produced by the great toiling masses of this country.

Recently it was announced that John D. Rockefeller had finally succeeded in accumulating one billion dollars, thus making him the richest man that ever lived.

The American people know how he succeeded in accumulating this vast sum. He produced none of it—he secured all of it by exploiting the American people who had produced it.

The most thrifty of the American people do well if they succeed in saving \$300 a year above all their expenses, and they must be busy every day in the year in order to do that. To accumulate one billion dollars at the rate of \$300 a year—a dollar a day for three hun-

dred working days—a man would have to live and labor 3,333,333 years. He would have to be older than Methuselah—he would have to start when the world was hot no matter where he ended up.

But if he was cunning, unscrupulous and religious and followed Rockefeller's method of robbing his fellow-men, he could get the billion-dollar prize in fifty years.

One billion dollars is equivalent to the earnings of one hundred thousand men for twenty years, provided they earned \$500 apiece each year, and during all that time leaving nothing out for sickness, death or accident. The fact that Rockefeller could appropriate the earnings of his fellow-men and the fact that he did do it is what has caused the social and economic protest against the existing system and the cry for justice.

This great and powerful force—the accumulated wealth of the United States—has taken over all the functions of Government, Congress, the issue of money, and banking and the army and navy in order to have a band of mercenaries to do their bidding and protect their stolen property.

Immediately after the announcement that Rockefeller was worth a billion dollars, Armour & Swift announced a dividend upon their capital stock of thirty-three and one-third per cent and each of these concerns increased their capital stock from twenty millions to one hundred millions.

It is safe to say that neither of these concerns had any capital stock for which they had paid a dollar. Their capital stock represented what they had stolen from the people of this country. Their working capital is represented by bonds. The eighty millions of stock which they have since added is also nothing but water and is issued so as to make the annual dividends appear smaller. The exploited people will object less to paying six or seven per cent on a hundred millions than to paying thirty-three and one-third per cent on twenty millions. It looks better in print.

How do Armour and Swift make their money? They are the great packers. They are in collusion. They fix the prices they pay the farmer for his hogs and cattle, and they fix the prices they will charge the consumer for their product. They are simply robbing the producer and the consumer, and their robbery is represented in their great wealth, which they did not produce but which they took from the people under the guise of law.

When the bill to take the census of 1890 was pending before Congress I secured an amendment requiring the enumerators to ascertain the distribution of wealth through an inquiry into farms, homes and mortgages.

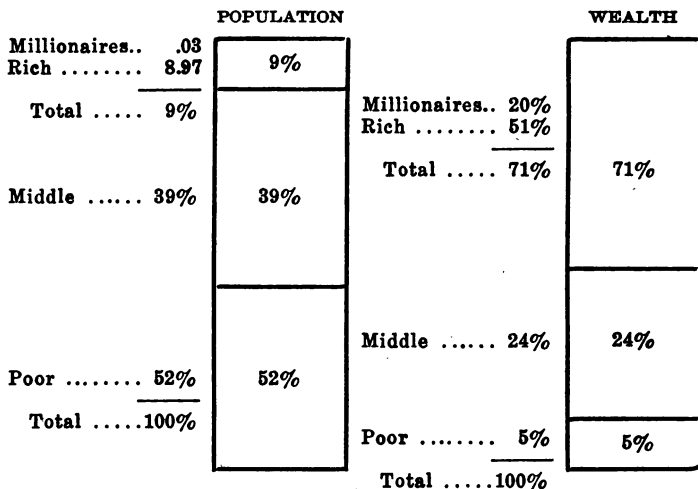
Using the figures thus secured by the enumerators of the census of 1890, on June 10, 1898, I delivered a speech in the Senate of the United States on the subject of the distribution of wealth in the United States and, from the census of 1890, I showed that 52 per cent of the people of the United States owned \$95.00 worth of property per capita, or \$95.00 each of second-hand clothing and second-hand furniture, and that four thousand families owned twelve billions of the wealth, and that 6,640,000 families, or 52 per cent of the population, owned three billions of the wealth, or just five per cent of the total.

The facts, as ascertained by the census-takers in 1890, appear, summarized, in the following table:

Distribution of Wealth by Census 1890

Class	Families	Per Cent	Average Wealth	Aggregate Wealth	Per Cent
Millionaires	4,000	.03	\$3,000,000	\$12,000,000,000	20
Rich	1,139,000	8.97	27,000	30,600,000,000	51
Total Rich.....	1,143,000	9.00	37,358	42,600,000,000	71
Middle	4,953,000	39.00	2,907	14,400,000,000	24
Poor	6,604,000	52.00	454	3,000,000,000	5
Grand Total....	12,700,000	100.00	\$ 4,725	\$60,000,000,000	100

**Diagrams Showing, by Percentages, the Population and Wealth
Distribution in the United States, According to the
Census of 1890**



It will be seen from these tables, which are compiled from the census report of 1890, that 52 per cent of the people, or two per cent more than half of them, owned but five per cent of the accumulated wealth of the United States. The report of the Industrial Commission which thoroughly investigated the distribution of wealth in the United States discloses the fact that, after twenty-six years, covering half of the period in which Rockefeller and Armour and Swift and the other exploiters of the people have accumulated their vast fortunes, the number of people who participated in the five per cent of the wealth of the United States has increased from 52 per cent of our total population to 65 per cent.

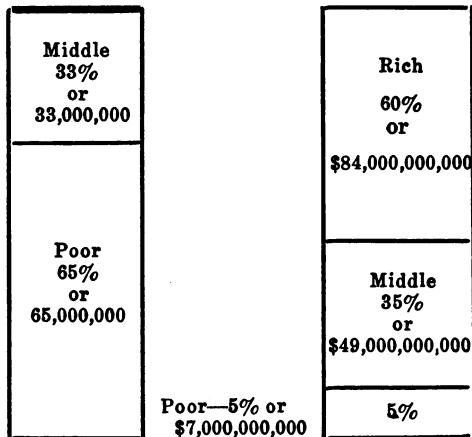
I have prepared a diagram illustrating the conclusions reached by the experts of the Industrial Commis-

sion, which pictures the stupendous inequalities that have arisen in the United States during the past twenty-six years:

Distribution of Wealth, Report of Industrial Commission, 1915

Class	Number	Per Cent	Average Wealth	Aggregate Wealth	Per Cent
Rich	2,000,000	2%	\$42,000	\$ 84,000,000,000	60%
Middle	33,000,000	33%	1,480	49,000,000,000	35%
Poor	65,000,000	65%	107	7,000,000,000	5%
Grand Total..	100,000,000	100%	\$ 1,400	\$140,000,000,000	100%

	Total Popu- lation of	
Rich 2% or 2,000,000...	100,000,000	Total Wealth \$140,000,000,000



I wish a careful examination of these tables. You will see that sixty-five per cent of the people own five per cent of the wealth and that two per cent of the population—the little black line at the top of the diagram—own sixty per cent of the wealth. They did not produce the wealth. It was all produced by the sixty-five per cent of the population who have nothing. They were able to do it because they owned the Government

and the courts and enacted the laws which made it possible. They have done it through manipulation, combination and exploitation. They have done it through corporations. They have done it because they own the railroads and the banks and all the public utilities, and used them all—all of these great important public service institutions in order to gather the products of everybody's toil into their own hands. In other words, they have stolen what others have produced.

These were the figures for 1916. Since that time there have come the war and the panic, with their huge crop of millionaires and their further concentration of wealth and of economic power.

But, you may ask, why is it necessary to turn to the figures of the Industrial Commission? Why not use the census figures? The answer is very simple. Since the publication of the 1890 figures, the plutocrats have decided that the facts regarding wealth distribution shall not be permitted to get into the hands of the American people.

When I entered the Senate I believed that the question of the distribution of wealth was one of the most important ones before the American people and one that was receiving no attention whatever. While I was in the House I had made the personal acquaintance of Senator Jones of Arkansas, who was on the Committee on Indian Affairs in the Senate, and Senator Berry of Arkansas, who was on the Committee on Public Lands in the Senate. So that, before the Senate convened in December, 1889—when I took my seat in the Senate, I had talked with these two Senators about securing legislation to ascertain the distribution of wealth in the United States. They had entered heartily into the plan and we prepared a bill for that purpose,* which was

* The bill was worded as follows:

“That a census of the population, wealth and industry of the United States shall be taken as of the date of June 1, 1890. Statutes of the U. S., p. 761, March 1, 1899.”

introduced by Senator Berry as an amendment to the Census Bill of 1890. The bill attracted little attention and was passed practically without opposition, but I had great difficulty in getting the persons in charge of taking the census to go thoroughly into the question. Finally, under the head of "Farms, Homes and Mortgages," an investigation was made by Holmes and a report was issued, I think, about 1898. This report showed a remarkable economic condition in this country and disclosed the fact that 52 per cent of our population had five per cent of the wealth they had produced, and that nine per cent of our population had a majority of all the property in this country. I made a speech in the Senate upon this subject, going quite fully into the question, and in that speech I predicted that the number of people who had nothing would steadily increase under our system, and that the number of people who owned a majority of the wealth would steadily decrease.

I considered the question so important that I secured a place on the Senate Census Committee to prepare the bill for taking the census of 1900. In the committee I urged an amendment to the bill for taking the census which should go fully into the question of the distribution of wealth in this country, but the committee refused to adopt my amendment or to take any notice of the question whatever. Incidentally, the committee was composed of lawyers and a lawyer is trained to believe that it is the right of property in the hands of men who did not produce the property that is sacred, and not the rights of man. Or that society has any obligation whatever to those who toil. We borrowed this from England and it is thoroughly inculcated into our whole system of educational and economic life that there is no question but that the lawyers honestly believe it to be true. After the Census Bill was reported to the Senate I offered my amendment under these circumstances:

(Congressional Record, 56th Congress, 1st Session, Jan. 11, 1900, vol. 331, p. 779.)

Mr. PETTIGREW: "I offer an amendment, which I send to the desk."

THE PRESIDENT PRO TEMPORE: "The amendment of the Senator from South Dakota will be stated."

THE SECRETARY: "It is proposed to add, as section 3, the following:

"Sec. 3. That the Director of the Census is hereby required to collect statistics relating to the indebtedness of individuals and corporations, public or private; also in relation to the distribution of wealth among the people of the United States; also statistics as to the displacement of labor by machinery, and the increase of the power of production by machinery in proportion to the number of laborers employed during the last thirty years. And for this purpose the Director of the Census may employ special agents, and such special agents shall receive such compensation as other special agents."

Mr. PETTIGREW: "Mr. President, this amendment is intended to secure statistics with regard to the distribution of wealth. It does not require the enumerators to gather the statistics on this subject, and therefore will not delay the purpose of the law which we have passed.

"We make the Census Bureau, as I understand, a perpetual bureau of statistics and information, and to fail to gather the information referred to in my amendment, it seems to me, would be a very serious mistake. The question as to what becomes of what the toilers of the land produce, whether it goes to them or is taken from them by special privileges, and

accumulated in the hands of a very few people is a very important one and reaches ultimately the question of the preservation of free institutions.

“The other subject in my amendment is with regard to the displacement of labor by machinery and the increased power of production thereby. I desire this information for the reason that I believe man’s power to produce, as the result of the adoption of machinery, has increased many times more than the increase of his wages, which should have occurred as a result of his increased powers of production; in other words, that the increased power of production is the result of machinery and has inured to the advantage of capital many times more than to the advantage of labor; that this has caused in a large degree the unequal distribution of wealth in this country; that the increased power of production, as the result of machinery, should go to the toiler in a much larger degree than to the capital employed; that the power to produce by machinery is a benefit to mankind if the increased power to produce goes to the toiler, because his power to consume is also increased, and thus the consumption and enjoyment of a greater measure of the luxuries and comforts of life must go to those who produce the wealth of the land.

“I therefore believe these two questions are exceedingly important; and I have asked that this information be collected by special agents rather than by the enumerators, so that it will not delay a single day or a single hour the securing of that information which seems to be the prime object of the bill.

“I hope the additional section I have offered will be adopted without objection.”

(Jan. 11, 1900.)

Mr. TILLMAN: “I will say for the information of the Senator from Georgia that if it is not taken with the first census it cannot be taken at all, without an intolerable additional expense. It is for the Senate

to determine whether it will enlarge the scope of the census. If we break down the barrier erected by the Census Committee, we simply, as we were notified by the Senator from Missouri (Mr. Cockrell) the other day, open up a flood of amendments concerning each special class of inquiry any senator may wish to have included."

Mr. PETTIGREW: "My amendment provides for nothing of the kind. It simply provides that this Census Bureau of statistics, which is perpetual, may, by special agents, not by enumerators, investigate this all-important subject. I think the census would be of very little value without it. It is not personal to myself, nor a subject that I am particularly or personally interested in, but it is a great public question. The question of the distribution of the wealth of this country is certainly a question of more importance than almost anything else that can be investigated. As the Senator from Colorado (Mr. Teller) has said, we have almost day by day a very accurate estimate of the population. We have very many other statistics which are constantly being produced by the statistical bureau, but the question of the distribution of the wealth of this country has never been adequately and fairly investigated. It ought to be.

"I do not propose to delay the taking of the census, and my amendment does not delay it at all. It simply provides an additional section for the doing of this additional work. If the schedules are all prepared and the work is disposed of, the enumerators can commence their operations; and therefore the Department will have the time to get out additional schedules for the special agents to do the work which I desire to have done. This work cannot commence until an appropriation is made. It is quite proper, then, that the amendment should be on this bill, because section 8 is in the original law, which provides a large amount of extra work to be done

after the main census has been taken through the enumerators; and if it was a proper time to provide section 8 in the law when it passed last year, it is time now for my amendment to be placed on this bill. That is all I want. I do not care to discuss it further."

The reasons in favor of taking a wealth census seemed to me conclusive. Nevertheless, the amendment met with universal opposition, and it was rejected.

When the census bill was pending to take the census of 1910, I wrote to Senator LaFollette and urged him to secure an amendment with relation to the distribution of wealth in this country, but LaFollette is a lawyer and he did nothing. I also sent him a statement of the facts in connection with the matter and a copy of my speech delivered in 1898 on this subject, but I was unable to accomplish anything, as the Senate was still composed almost entirely of lawyers who had represented as attorneys, before they entered the Senate and who still continued to represent as attorneys after they entered the Senate, the great industrial, financial, transportation and exploiting interests.

While the census bill to provide for the census of 1920 was under consideration in both Houses, I went to Washington and personally went to the committee of both Houses and urged the importance of securing statistics with regard to the distribution of wealth in this country, but neither committee would entertain my proposed amendment or listen with patience to any argument.

In reply to my analyses of the situation, the members of the committees insisted that it was not true. "Why," said they, "look about you and see the prosperity everywhere. How can you say then that the wealth of the country is in the hands of the rich?"

"Well," I answered, "if it is not true, and if the Census of 1890, the Industrial Commission, and all of

the rest of the authorities are wrong, the thing to do is to take another wealth census and disprove all of their false statements." Still, I could make no impression on the lawyers who made up both committees.

The Committees of Congress, having the censuses of 1910 and 1920 in charge, refused to include in the census bills a clause requiring the enumerators to ascertain the distribution of wealth, because they, as representatives of the plutocracy, did not desire the facts to be known. The bulk of the American people have little or no wealth; the economic power of the United States is concentrated in the hands of the few, and the few are determined to keep the many in ignorance as long as they possibly can.

I have gone into some detail with regard to this matter of the wealth census, not so much because of its intrinsic importance, but because of its relation to other and similar issues. Again and again, on other questions, the same men who refused to gather the evidence of wealth concentration have introduced and voted for the measures which were drawn up by the attorneys of the vested interests for the purpose of increasing wealth concentration.

The economic power of the United States has been concentrated in the hands of a very few, and they are the Government. They pass the laws that in their judgment will protect and defend the property upon which their power depends; they secure the appointment of judges who will interpret and who do interpret this legislation in the interest of the wealth-owning classes; control those who execute the laws, from the presidents down—indeed, for the most part, the presidents are lawyers, and either members of the plutocracy, or else paid retainers of the plutocracy; they control all of the channels of public opinion—the press, the schools, the church; they control the labor unions through the control of their leaders

and of the policy that the leaders pursue; possessors of the land on which the farmer must work, of the mines and the machines with which the laborer must work, in order to live, the plutocracy—the wealth class—in the United States is supreme over the affairs of public life.

Today this economic power is not ashamed to show its head and take its place as the master of the American Government and as the overlord of the American people. They used to talk about the Invisible Government when I entered the Senate in 1890, but it is invisible no longer. The real government is not in Washington. Its attorneys are there, but its responsible directors are in New York and in the other great centers of commerce and industry. Wealth means power in an industrial civilization, and the few, owning the bulk of the wealth of the United States, exercise their plutocratic power over the lives of the American people, who are forced, whether they will or no, to do the bidding of their wealth lords. And therefore I say—Capital is stolen labor and its only function is to steal more labor.