

## “PLUTOCRACY AND PATERNALISM” \*

By Lester Frank Ward

*Lester Frank Ward (1841-1913), sociologist, urges a welfare state to replace plutocracy*

Lester F. Ward was one of ten children of an inventive but impecunious Joliet, Illinois, mechanic father and a talented mother. He was largely self-educated until later on in his life when he earned the degrees of A.B., LL.B., and A.M. at Columbian College (now George Washington University). Meanwhile he had fought and been wounded as a Union soldier, thereafter working as a Treasury clerk at Washington, eventually becoming a geologist and paleontologist for the United States Geological Survey. He showed an increasing interest in evolutionary thought and finally in sociology. In 1883, he published *Dynamic Sociology*, in 1893, *The Psychic Factors of Civilization*, and many more books and articles. As a confirmed religious rationalist (although his grandfather was a minister), he edited *The Iconoclast*. In 1906, when he was almost at a retirement age, he was appointed professor of sociology at Brown University.

Unlike William Graham Sumner and other Spencerian social scientists, he looked upon evolution as a human process that could be guided by the will and intellect rather than merely operate as a passive inevitable development. His writings, as the essay below suggests, urged the need for democratic social planning to achieve human progress. He wished the government to take a central role in this process, sponsoring education on a much larger scale and striving for the abolition of poverty. In recent years, Professor Henry Commager has portrayed Ward as a prophet of the welfare state.



TO JUDGE from the tone of the popular press, the country would seem to be between the devil of state interference and the deep sea of gold. The two epithets, “plutocracy” and “pater-

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nalism," so freely applied, are intended to characterize the worst tendencies of the times in these two opposite directions, and are calculated to engender the bitterest feelings in the public mind. If such a thing were possible, it would certainly be useful, standing aloof from the contest, to make a cool, unbiassed analysis of the true meaning of these terms in their relation to the existing state of affairs. While it may be admitted that this is impossible, such an approximation to it as the conditions will allow can certainly do no harm.

On all subjects that interest mankind there are extremes of thought, and these form a sort of penumbra outside the general consensus of opinion among right-minded people. While most persons consider the possession of wealth a rightful condition and a laudable aim of life, there are some who accept Proudhon's dictum, "*la propriété c'est le vol*," and nearly all shades of opinion between these may be found. The average man desires to see the business interests of society left free and open to equal competition, but there are those who would have the state conduct all industry and make all citizens salaried employees. Between these views there are also many intermediate ones. This condition has always existed very much as it is to-day. On the whole there seems to be little danger that any of the extremes of popular opinion will ever prevail, but at the same time there is always a moderate, often rhythmic, drift in some one direction, so that what were extremes are so no longer, and other unthought-of schemes occupy the van. It is this that constitutes social progress.

Justly or unjustly, society has made wealth a measure of worth. It is easy on general principles to prove that it is not such a measure. Every one is personally cognizant of numerous cases to the contrary. All will admit that, taken in the abstract, the principle is unsound, and yet all act upon it. Not rationally, not perhaps consciously, but still they do it. It is "human nature" to respect those who have, and to care little for those who have not. There is a sort of feeling that if one is destitute there must be a reason for it. It is inevitably ascribed to some personal deficit. In a word, absence of means is, in one form or another, made to stand for absence of merit. Its cause is looked for in character. This is most clearly seen in the marked contrast between the indisposition to help the unsuccessful, and the willingness to help the successful. Aside from the prospect of a *quid pro quo*,

no one wants to waste time, energy, or money on what is worthless,—and possession is the primary test of worth.

It would be easy to work out the genesis of this sentiment, and to show how it is the natural result of the universal competition in society, where the fittest to survive is always the one who can gain possession of the greatest amount of this world's goods. It has therefore a rational basis, a substratum of truth on which to rest. We are chiefly concerned with it here as a fact. It is universal. Those who most thoroughly condemn it are influenced by it. The force that works against it in society is not the absence or weakness of the sentiment itself, but another and wholly dissimilar feeling, viz., sympathy. This sentiment is not rational, but illogical, as shown by the fact that men give alms to satisfy temporary want rather than opportunity to supply permanent needs. But of the other sentiment, which may be called "plutolatry,"—the worship of wealth,—even the victims show traces, and in denouncing the rich they unconsciously attribute to them a personal dignity proportional to their wealth.

Thus it comes about that wealth, in the existing state of society, is a tremendous power. It gives not only ease, plenty, luxury, but, what is infinitely more, the respect of all and the envy of the less favored. It gives, in a word, superiority; and the strongest craving of man's nature is, in one way or another, to be set over his fellows. When all this is considered, the futility of the proposal of certain reformers to eradicate the passion for proprietary acquisition becomes apparent. It may be assumed that this passion will continue for an indefinite period to be the ruling element of the industrial state. That it has done and is still doing incalculable service to society few will deny. That it may continue to be useful to the end of our present industrial era will probably be admitted by all but a small class.

If the accumulation of wealth, even for the benefit of individuals, were all that is involved in the term "plutocracy," the indictment would not be serious. If the governing power implied in the last component of the word were nothing more than the normal influence that wealth exerts, no great injury to society could accrue. Even the amassing of colossal fortunes is not an evil in itself, since the very activity which it requires stimulates industry and benefits a large number. There is, it is true, a danger—in the transmission of such fortunes to inactive and non-productive heirs—of creating a non-industrial class in perpetuity;

but this could be remedied, without hardship to any worthy person, by a wise limitation of inheritance.

So much for plutocracy. Let us now turn to the other pole of public opinion and inquire into the meaning of "paternalism." Literally, of course, paternalism in government would be restricted to cases in which the governing power is vested in a single person, who may be regarded as well-disposed and seeking to rule his subjects for their own good, as a father governs his children. But a ruling family, or even a large ruling class, may be supposed to govern from similar motives. In either case the governed are not supposed to have any voice in the matter, but are cared for like children by the assumed wisdom of their rulers. How far from true paternalism is anything that exists in this or any other civilized country to-day may therefore be readily seen. No one will claim that there is any danger, in a representative government with universal suffrage, of any such state being brought about. This shows at the outset that the term is not used in its original and correct sense, but is merely borrowed and applied as a stigma to certain tendencies in republican governments which the users of it do not approve. What are these tendencies? In general it may be said that they are tendencies toward the assumption by the state of functions that are now entrusted to private enterprise.

On the one hand it is logically argued that the indefinite extension of such powers would eventuate in the most extreme socialistic system,—the conduct of all business by the state. On the other hand it is shown with equal logic that the entire relinquishment of the functions which the state has already assumed would be the abolition of government itself. The extremists of one party would land us in socialism; those of the other, in anarchy. But on one side it is said by the more moderate that the true function of government is the protection of society; to which it is replied by the other that such extension of governmental powers is in the interest of protection, viz., protection against the undue rapacity of private enterprise. Here, as almost everywhere else in the realm of politics, it is a question of quantity and not of quality. It is not a difference in principle, but in policy. It is the degree to which the fundamental principle of all government is to be carried out.

If we look for precedents and historical examples we find great diversity. If we take the question of government telegraphy we

find that the United States is almost the only country in the civilized world that has not adopted it, while the reports from other countries are practically unanimous in its favor. That such a movement should be called paternalism is therefore quite gratuitous, and must spring from either pecuniary interest or unenlightened prejudice. From this on, up to the question of abolishing the private ownership of land, there is a multitude of problems presenting all shades of difference in the degree to which the principle of state action is to be applied in their solution. They need to be fearlessly investigated, coolly considered, and wisely decided in the true interests of the public. It was not the purpose of this article to discuss any of these questions, but simply to mention them in illustration of the popular use of the term "paternalism." It is clear that that term is employed solely to excite prejudice against the extension of the functions of the state, just as the term "plutocracy" is used to arouse antagonism to the wealthy classes. The words have in these senses no natural meaning, and, with intelligent persons, should have no argumentative weight.

Are there, then, no dangerous or deleterious tendencies in modern society? There certainly are such, and they may be said to be in the direction of both plutocracy and paternalism, giving to these terms not a literal, but a real or scientific meaning, as denoting respectively the too great power of wealth, and the too great solicitude for and fostering of certain interests on the part of government.

The first law of economics is that every one may be depended upon at all times to seek his greatest gain. It is both natural and right that the individual should be ever seeking to acquire for himself and his; and this rather irrespective of the rest of the world. It was so in the olden time, when physical strength was almost the only force. It is so to-day, when business shrewdness is practically supreme. Government was instituted to protect the weak from the strong in this universal struggle to possess; or, what is the same thing, to protect society at large. Originally it was occupied solely with abuses caused by brute force. It is still, so far as this primary function of enforcing justice is concerned, practically limited to this class of abuses, relatively trifling as they are. Crime still means this, as it did in the days of King Arthur, and as it does to-day in barbaric countries. Any advantage gained by force is promptly met by the law; but advantage

gained by cunning, by superior knowledge,—if it be only of the technicalities of the law,—is not a crime, though its spirit be as bad as that of highway robbery and its consequences a thousand times worse.

From this point of view, then, modern society is suffering from the very opposite of paternalism,—from under-government, from the failure of government to keep pace with the change which civilization has wrought in substituting intellectual for physical qualities as the workers of injustice. Government to-day is powerless to perform its primary and original function of protecting society. There was a time when brigandage stalked abroad throughout Europe and no one was safe in life or property. This was due to lack of adequate government. Man's nature has not changed, but brigandage has succumbed to the strong arm of the law. Human rapacity now works in subtler ways. Plutocracy is the modern brigandage and can be dislodged only by the same power,—the power of the state. All the evils of society are the result of the free flow of natural propensities. The purpose of government is, as far as may be, to prevent this from causing injustice. The physical passions of men are natural and healthy, but they cannot be allowed to go unbridled. Government was established, not to lessen or even to alter them. Exactly the same is needed to be done with the higher acquisitive faculty. It need not be condemned; it cannot be suppressed: but it can and should be directed into harmless ways and restricted to useful purposes. Properly viewed, too, this is to secure its maximum exercise and greatest freedom, for unrestrained license soon leads to conflict, chokes its own free operation, and puts an end to its activity. The true function of government is not to fetter but to liberate the forces of society, not to diminish but to increase their effectiveness. Unbridled competition destroys itself. The only competition that endures is that which goes on under judicious regulation.

If, then, the danger of plutocracy is so largely due to insufficient government, where is the tendency to paternalism in the sense of too much government? This opens up the last and most important aspect of the subject. If there were no influences at work in society but those of unaided nature; if we had a pure physiocracy or government of nature, such as prevails among wild animals, and the weak were thereby sacrificed that the strong might survive to beget the strong, and thus elevate the

race along the lines of evolution,—however great the hardship, we might resign ourselves to it as part of the great cosmic scheme. But unfortunately this is not the case. Without stopping to show that, from the standpoint of a civilized society, the qualities which best fit men to gain advantage over their fellows are the ones least useful to society at large, it will be sufficient for the present purpose to point out that in the actual state of society it is not even those who, from this biological point of view, are the fittest, that become in fact the recipients of the greatest favors at the hands of society. This is due to the creation, by society itself, of artificial conditions that destroy the balance of forces and completely nullify all the beneficial effects that are secured by the operation of the natural law on the lower plane. Indeed, the effect is reversed, and instead of developing strength, either physical or mental, through activity incident to emulation, it tends to parasitic degeneracy through the pampered idleness of the favored classes.

What, in the last analysis, are these social conditions? They are at bottom integral parts of government. They are embodied in law. Largely they consist of statute law. Where this is wanting they rest on judicial decisions, often immemorial, and belonging to the *lex non scripta*. In a word, they constitute the great system of jurisprudence relating to property and business, gradually built up through the ages to make men secure in their possessions and safe in their business transactions, but which in our day, owing to entirely changed industrial conditions, has become the means of throwing unlimited opportunities in the way of some and of barring out the rest from all opportunities. This system of artificial props, bolsterings, and scaffoldings has grown so perfect as to make exertion needless for the protected class and hopeless for the neglected mass. In a word, it has become the bulwark of monopoly. Says Prof. John R. Commons in his "Distribution of Wealth":

The heads of industries are no longer the independent Napoleons of finance; they find their sphere as high-salaried managers and legal advisers, while the successors of the *entrepreneurs* proper, the original organizers and promoters of enterprises, are simply the commonplace, idle recipients of the permanent profits and the mildly fluctuating temporary profits. . . . Instead of the profits being due to the powerful exertions and abilities of the captains of industry, they are due to certain fixed social relations and rights. The recipients of these incomes

178. LIBERALS AND CONSERVATIVES

may with perfect security become idlers and drones. They abdicate their functions as *entrepreneurs* into the hands of salaried chiefs and advisers. They are no longer performing the services of society which were performed by their ancestors or predecessors, who organized and developed the business to which they have succeeded.