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Nations, it is to be feared, learn little from books or college lectures, or even from magazine articles. We may, indeed, go so far as to say that, in some subjects at any rate, they learn only from experience,—a good teacher, if only the fees were not so heavy! It took three visitations of Asiatic cholera to teach English towns the elements of municipal sanitation. Two whole generations of academic demonstration failed to convince the United Kingdom that it was impolitic to tax the food of the people: it needed a calamitous famine to drive the lesson home. What, however, for my present purpose is more important is that there is a converse to this statement. Every striking change in the economic organization of a nation teaches it some lesson. What is it that the American public is likely to learn from the advent of the Trust?

I pretend to no intimate knowledge of the industrial circumstances of the United States. But some twelve years of observation from afar, guided by two visits of three months each, convince me, at least, that the relations of Capital and Labor in America differ remarkably from those in England. This is a case in which the looker-on may possibly see, if not more of the game than the actual players, at any rate some points which escape their notice. I shall, therefore, attempt to describe, first,
what seem to me characteristics common to both countries, and secondly, certain momentous differences between them.

Let us notice, to begin with, how entirely both countries have departed from the industrial organization described by the classic economists. It pleaseth me to remember that Adam Smith's "Wealth of Nations" and the Declaration of Independence were given to the world in the same year. I do not propose to discuss to what extent the argument and philosophy of both these masterpieces may have been influenced by the industrial organization then common to England and New England. What is brought vividly and dramatically to our minds by the formation of the so-called "Billion Dollar Steel Trust" is the extent of the change which has come over the economic status of the mass of the nation. A century and a quarter ago, when Jefferson and Adam Smith were writing, it could be taken for granted that the normal state of things was for every man to become, in due course, "his own master"; it could be assumed that the work of the world was, for the most part, done by men who were moved by the stimulus of making "profit" as distinguished from wages or salary; it seemed a scientific fact that values were determined by the mutual exchange of the commodities and services of independent producers. It was on these assumptions that the classic political economy was based. What is more important to us today is that, both in England and in the United States, the public opinion of the educated and prosperous classes still makes much the same assumption. Neither the prosperous Englishman nor the prosperous American can rid himself of the feeling that it is open to every one to become a profit-maker, that no one need long remain a mere wage-earner, and that it is, therefore, not really of vital consequence to the nation how those members of the community who happen temporarily to be wage-earners are actually living. The opening of the twentieth century sees, perhaps, some weakening of this assumption. England pays more and more attention to its factory legislation. I do not now find the prosperous American, as I did twelve years ago, believing and explaining, by way of apology for the slums of Chicago or New
York, that all the slum-dwellers could get out of them if they chose. What he now says and believes is that these are only "dagos," that at any rate every native-born American can rise to a higher place, and that the status of the hired laborer is, therefore, on the American continent, still something transient, exceptional, and relatively unimportant. He is still revolted by any glimpse of American democracy as a "democracy of the 'hired man.'" Yet surely nothing is more certain than that in the United States, as in Western Europe and Australia, the hired men do, and must necessarily continue to, form at least three fourths of the population. This is a fact which the advent of the Trust, the supremacy of business conducted on a large scale, the rapidly increasing concentration of nearly every kind of industry, can hardly fail to drive home to the mind of the American, as to that of the English citizen. He will, for the first time, become aware of himself as one of a democracy of hired men.

We shall be conscious, too, by whom we are hired. It has long been a fond dream, both in England and in the United States, to prove by some mysterious juggling with wage and price statistics, that wealth is getting more equally distributed, that the proportion of small competences is increasing, and that the number is growing of those who, as stockholders or interest receivers, share in industrial profits. This has, for forty or fifty years, been an amiable delusion of the statistical philanthropist. It is now dispelled. The dramatic concentrations of capital exhibited by the Rockefellers and Pierpont Morgans, like the visible accumulations of the English ducal ground-landlords, have forced upon everybody's notice the indisputable testimony of death duty statistics. The only point in dispute is whether wealth-concentration has as yet gone further in England or in the United States. This is, of course, not to deny that some or all of the property-less masses have, during the past fifty years, found their conditions of life improved. But the advent of the Trust is making both England and America realize, as they have never realized before, that in both countries nine tenths of all the realized property belongs today to a class that comprises only one
tenth of the population,—that ninety per cent of the citizens, the
great mass of the people, share among them, even including their
little homes and furniture, and all their much-vaulted hoards,
only ten per cent of the capital wealth.

But if the advent of the Trust makes us conscious of ourselves
as nations of hired men, it necessarily compels us to realize that
the conditions of our hiring are all-important, not only to our­selves individually, but to the community as a whole. "Every
society is judged," as Mr. Asquith, our late Home Secretary, said
the other day,—"and survives, according to the material and
moral minimum which it prescribes to its members." Note that
word "prescribes." As hired men, we find ourselves graded in
elaborate hierarchies, from the sweat-shop hand or day-laborer,
right up to Mr. Schwab at a million a year. But four fifths of us
are manual-working wage-earners, filling our dinner pails and
keeping our families, out of earnings which may be anything
from five to fifty dollars a week. These earnings depend on our
successful bargaining with our employers,—employers who used
to be men like ourselves, but who, as we now realize, are, for
the majority of us, gigantic capitalist corporations, huge joint­
stock mills, railroads, shipping combines, and "Billion Dollar Steel
Trusts." Between these employers and the individual workmen
there has hitherto been assumed to be "freedom of contract,"
secured to us by the Constitution of the United States or by the
contemporary general principles of the law in the United King­
dom; and this freedom of contract was inaugurated, and is today
still usually defended, as being in the highest interests of the wage­
earer himself. "The patrimony of a poor man," says Adam
Smith, "lies in the strength and dexterity of his hands; and to
hinder him from employing that strength and dexterity in what
manner he thinks proper, without injury to his neighbor, is a
plain violation of this most sacred property." But the conditions
of industry have somewhat changed since 1776, and the "Billion
Dollar Steel Trust," though it does not appreciably alter the cir­
cumstances, is opening our eyes to them. We see now,
what the college professors have gradually become conscious.
of, that freedom of contract in the hiring of labor may mean something very like the compulsion of one party to serve the other, on terms nominally contractual but virtually fixed by overwhelming omnipotence. When the conditions of the workman's life are settled, without interference by law or trade-unionism, by absolutely free contract between man and man, the workman's freedom is delusive. Where he bargains he bargains at a hopeless disadvantage; and with regard to many of the terms most important to his health, comfort, and industrial efficiency, he cannot bargain at all.

This conclusion will carry with it such momentous consequences, and is as yet so imperfectly realized, that it is worth while to think it over. Let us consider how the wage-contract is actually entered into. Leave out of account, to begin with, any period of bad trade, when mills are shutting down or running only short time, and armies of unemployed are looking for work. Assume that things are in equilibrium,—that there is only one place vacant, and only one “hand” applying for it. Watch carefully the play of motives acting on the two minds, that of the “man with the dinner pail” seeking employment, and that of the employer or foreman with a place to fill. Suppose the workman to demur to the wage offered by the employer. There is, we assume, absolutely no other spare hand in sight. To leave the vacancy unfilled may cause some inconvenience in the mill. To complete the orders in hand, some of the other men may have to work more overtime. The delivery of the goods may even have to be delayed, the year's output may be diminished, and the year's profits may be fractionally less than they would have been. But in the meantime the capitalist or his agent is not actually affected in his daily life. He and his family go on eating and drinking as they did before. At most, the matter is a trifling one to them. Thus, the capitalist can afford to wait until the workman returns in a humbler frame of mind. And this is just what the workman must do. What is only a trifling matter to the capitalist is to the workman his whole livelihood. Moreover, he cannot wait. Even if he stands out one day, he has thereby lost
that day. His very subsistence depends on his quickly coming to an agreement. If he is obstinate, consumption of his little hoard or the sale of his furniture may delay the catastrophe. Sooner or later slow starvation forces him to come to terms. And, since success in the "higgling of the market" is largely dependent on the relative eagerness of the parties to come to terms,—conspicuously so if this eagerness cannot be concealed from the antagonist,—capitalist and workman always meet, in the absence of law or effective trade-unionism, on unequal terms. Moreover, the capitalist knows the cards and the workman does not. Even in the rare cases in which the absence of a single workman is of any real consequence to the employer, this is usually unknown to any one but himself. He, too, knows the state of the market, and can judge whether it might not even suit him better to slacken production for the moment. The isolated individual workman bargains in the dark. Add to this the fact that the workman is not trained in the art of bargaining, which is the daily business of the employer, or the constant task of an expert specially trained for the particular work of hiring men. Thus, in the bargaining between a capitalist corporation and the individual laborers whom it hires, the laborers stand to lose at every point. They are as certainly "done" in the deal as is the greenhorn playing poker with a transatlantic gambler.¹

So far we have been assuming that the labor market is in equilibrium, and that only one hand applies for one vacant place. But at what periods, and in what trades is so perfect an equilibrium to be found? When great corporations are concentrating their works and shutting down unnecessary mills; when new processes or new machines are displacing labor; when industrial crises, changes of fashion, or the mere shifts and gusts of international commerce cause our production to wane, now in this branch, now in that,—what freedom has the hired man? When

¹ For the latest and most explicit statement of the process of industrial bargaining, see *The Case for the Factory Acts*, with preface by Mrs. Humphry Ward. Richards: London.
the unemployed are crowding round the factory gates, it is plain to each one among them that, unless he can induce the "boss" to choose him rather than another, his chance of subsistence for weeks to come may be irretrievably lost. Bargaining, in any genuine sense, there can be none. The "boss" has but to pick his man, and name the price,—even if he does so much as name the price. Once inside the gates, the lucky workman knows that if he grumbles at any of the surroundings, however intolerable; if he demurs to any speeding up, lengthening of the hours, or arbitrary deductions; or if he hesitates to obey any orders, however unreasonable, he condemns himself once more to the semi-starvation and misery of unemployment. The alternative to the foreman or gauger is merely to pick another laborer out of the eager crowd at the gate. The difference to the capitalist corporation is nil.

But much more remains to be said. To the capitalist corporation the wage-contract is simply a question of so many dollars to be paid. To the workman, it is a matter of placing, for ten or twelve hours out of every twenty-four, his whole life at the disposal of his hirer. What hours he shall work, when and where he shall get his food, the sanitary conditions of his employment, the safety of the machinery, the temperature and atmosphere to which he is subjected, the fatigue or strains that he endures, the risks of disease or accident that he incurs,—all these are involved in the workman's contract, and not in his employer's. These are matters of as vital importance to the wage-earner as are his wages. Yet about these matters he cannot, in practice, bargain at all. Imagine a weaver, before accepting employment in a Massachusetts cotton mill, examining the proportion of steam in the atmosphere of the shed, testing the strength of the shuttleguards, and criticising the soundness of the shafting belts; a Pittsburg mechanic prying into the security of the hoists and cranes or the safety of the lathes and steam hammers among which he must move; a work-girl in a Chicago sweat-shop computing the cubic space which will be her share of the workroom, discussing the ventilation,
warmth, and lighting of the place in which she will spend nearly all her working life, or examining disapprovingly the sanitary accommodation provided; think of the man who wants a job in a New Jersey white lead works testing the poisonous influence of the particular process employed, and reckoning in terms of dollars and cents the exact degree of injury to his health which he is consenting to undergo. On all these matters, at any rate, we must at once give up the notion of freedom of contract. In the absence of any restraint of law, the conditions of sanitation, decency, and security from accident in the various enterprises of the United States Steel Corporation or the Standard Oil Company, the Western Union Telegraph Company or the Pennsylvania Railroad, are absolutely at the mercy of the rulers of these great undertakings. They decide these conditions of life for the millions of workmen whom they employ,—and thus, to this extent, for the American nation,—as arbitrarily (and, it is to be hoped, as humanely) as they do for their horses. “In the general course of human nature,” remarked the shrewd founders of the American Constitution, “power over a man’s subsistence amounts to a power over his will.”1

These features of the lot of the hired man are common to England and America, and, indeed, to every country in which capitalist industry and production are found on a large scale. We must, in intellectual honesty, recognize the fact. But this is not to say that the condition of the hired man is either good or bad, or better or worse than in bygone times. It is different from what it was when industry was carried on by the village black-smith, different from that described by Adam Smith, different from that which Jefferson knew. The dinner pail may be fuller,—as regards whole sections of the community, it can certainly be proved to be fuller,—but there has been a change of relative status. Meanwhile, let us accept the result in the great wage-earning class as we now know it,—a community of hired men; a relatively small proportion of skilled artisans earning “good

(1) Federalist, No. lxxix.
money”; the great mass living on wages, in England of seven dollars, in the United States of ten or twelve dollars, per fully employed week; while below these come the unskilled laborers and most women workers, existing, in greater or smaller numbers, under conditions of “sweating”—authoritatively defined as “earnings barely sufficient to sustain existence, hours of labor such as to make the lives of the workers periods of almost ceaseless toil, sanitary conditions injurious to the health of the persons employed, and dangerous to the public.” Into one or another of these three categories come seventy or eighty per cent of the whole population. Such are the free citizens of the United States; such are the loyal subjects of Edward the Seventh of England. We hate to think about it, but it is so; and the advent of the Trust is going to make us realize that it is so.

What effect will this growing consciousness of industrial subordination have upon public opinion? Let me confine myself, for a moment, to the English side of the problem. In England we developed a capitalist industry a couple of generations earlier than did the United States. Though the time for trusts and great railroad combinations had not yet come, the new mills and mines which, at the end of the eighteenth century, spread over the northern and midland counties were the leviathans of their day, and great was the power which they wielded in the labor market. Complete “freedom of contract” prevailed. The result, as every one knows, was the terrible “white slavery” of the first quarter of the nineteenth century, when generation after generation of workers in the factories and coal mines were stunted and maimed, brutalized and degraded, and hurried into early graves by the long hours, low wages, and insanitary conditions of those halcyon days, in which, as has been said, “it was not five per cent, or ten per cent, but thousands per cent that made the fortunes of Lancashire.” But England grew alarmed, amid all its profit, at the rapid degeneration of whole sections of its people. By the untir-

ing efforts of the philanthropists, factory law after factory law was passed, setting limits to freedom of contract, and substituting, for individual bargaining between man and man, definite, common rules on every point deemed of prime importance to the welfare of the operatives. These common rules, securing a reasonable minimum of leisure, safety, and sanitation, applied at first only to the textile and mining industries, and are, to this day, not yet coextensive with the English wage-earning class. Nor do they apply to wages. But there grew up, after 1824, in all the principal English industries strong trade-unions, which enforced, by the instrument of collective bargaining, new, common rules supplementing those laid down by law. The employers in each trade were numerous and divided. Differing among themselves in wealth and magnitude of business, as well as in personal character, they proved unable to present a solid front to the trade-unions. The result is that, in the course of the last half century, some of the principal and most successful branches of English industry—notably cotton-manufacture, coal-mining, ship-building, engineering, and the building trades—have come to be regulated by codes of common rules, enforced partly by law and partly by collective agreement. The rates of wages, like the hours of work and the fundamental conditions of safety and sanitation, are, therefore, no longer at the mercy of individual capitalists. There exists, in each trade, a sort of minimum standard, fixed practically by general agreement among the whole body of employers, on the one hand, and the whole body of workmen, on the other, below which it is found impossible for any employer to descend. He may break away, but he discovers presently that it no more pays him to outrage the public opinion of his trade than to infringe the factory law. In England, the general opinion of the community acts, in all well-organized trades, as a real, though curiously intangible check upon the capitalist. Public sympathy is always on the side of a stable and highly organized trade-

union defending itself against any encroachment on the common rules, or reduction in rates. Great corporations like the London and Northwestern Railway find themselves pulled up sharp by the peremptory interference of the Board of Trade, when they are guilty of any conspicuous tyranny over their employees. Even in the late engineers' strike, where the men lost sympathy because they were believed to be resisting machinery, and the employers won all along the line, the final agreement formally recognized the right of collective bargaining and the need for common rules, while the result has been the establishment of a new tribunal of the trade to maintain these rules,—a joint tribunal, in which, for the moment, the associated employers doubtless have a larger influence than the associated workmen, but one to which every individual employer, no less than every individual workman, finds himself practically subject. This collective rule of the whole trade over every individual employer in it, as well as over every individual workman, is typical of most of the industries in England in which there are great employers, or strong capitalist corporations. Moreover, the law, where it purports to control, really does control, even the greatest corporation. Hence neither our philanthropists nor our workmen fear the Trust. England's industrial peril lies in quite another direction.

The worst conditions of employment in the United Kingdom occur in those industries carried on by small employers, or desolated by home work, which have either escaped as yet from the ever widening scope of the factory laws, or in which such laws are not yet effectively enforced. Here philanthropic sentiment has hitherto been evoked by the spectacle of the small master, struggling to rise in the world, and unable to afford to his sweated employees either wholesome workshops, decent sanitation, or a living wage. These unfortunate workers, incapable of effective organization, have hitherto failed to obtain the same help from public opinion or the same measure of protective legislation that Parliament concedes to the politically active cotton operatives or coal miners, who need it far less. Unfortunately, too, the efforts to secure effective factory laws for these workers are at present balked by the
doctrinaire resistance of many of the leaders of the movement for "women's rights." Thus, the sweated trades, in spite of their disastrous effects on the community as a whole, are given, at present, a positive advantage in the competition for the world-market. The absence of any collective regulation enables the employers so to use their superiority in bargaining for the hire of their labor as to reduce its condition even below subsistence level. These trades are, in fact, parasites on the rest of the community, drawing from the more prosperous sections, in one form or another, a continual "bounty" with which to eke out their starvation wages. Fortunately, the great staple industries of the kingdom, in which relatively good conditions prevail, gain so much in efficiency by their very regulation that they go on, notwithstanding this virtual bounty to the sweated trades, increasing in extent and prosperity year after year. What loses ground in England is any industry which escapes the beneficial effect of collective regulation, but which for some reason fails to get the bounty implied in industrial parasitism. The most conspicuous example is English agriculture, which is constantly falling more and more behind not only the great regulated trades such as cotton and coal, but also behind the miserably inefficient sweated trades, fed by parasitic bounty. Thus, what is most urgently needed in the United Kingdom, and what is most likely to spring from our growing consciousness of the weakness of the hired man, is not any interference with the great employers or their capitalist combinations,—which are, at present, the least uncontrolled of our industrial forces,—but an extension of the strong arm of the law on behalf of the oppressed workers in the sweated trades.

Models for such action are afforded both by New Zealand and by Victoria. The time is not far distant when we shall see in London, as already in Melbourne, wage-boards for all the sweated trades, formed partly of employers and partly of wage-

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earners, and empowered to fix minimum rates of piece-work wages, below which it will be illegal for any employer to hire a hand. We shall, in fact, begin at the bottom of the industrial army, which suffers, not from great capitalists, but from small masters,—not from the newest methods of industrial organization, but from the belated survival of old-fashioned ones. These wage-boards, beginning, as in Victoria, in the sweated trades, will, also as in Victoria, not rest there. New Zealand points the way. More and more nearly do we approach the stage at which the conditions of employment,—wages as well as hours, sanitation as well as protection from accident,—if not fixed by authoritative decision of joint committees representing all the workmen and all the employers, are settled by an arbitrator's decree to which both parties find themselves compelled to submit. This will long be veiled in the United Kingdom, where reforms usually arrive in substance before they are called by their names. Yet English public opinion is already much impressed by the fact that in Victoria and in New Zealand the standard minimum conditions of employment,—rates of wages as well as hours and sanitation,—which the community thinks fit to require from time to time in each particular trade, are promulgated as law, and enforced by the criminal courts. The nineteenth century in the United Kingdom has seen the extension of the factory law to sanitation and decency, hours of labor, and protection against accidents in a select set of trades. The result of our growing consciousness of the weakness of the wage-earner, in his bargaining with the great capitalist employer, is to bring us, at the opening of the twentieth century, to the threshold of the Legal Minimum Wage for every branch of industry. Note again Mr. Asquith's word "prescribes."

But the result in the United States may possibly be quite otherwise. The great capitalist corporations of the United States differ as widely from those of the United Kingdom as do the laws and the trade- and labor-unions of the two countries. In England, as I have said, the great capitalist is, and feels himself to be, effectively under control. The trade-unions, if inferior in strength
on a fight to a finish, are in a position to offer him stubborn resistance. The law is unquestionably his master. And public opinion, not altogether on either side in the conflict, passes with great rapidity, and with irresistible force, into opposition to any serious attack on the current Standard of Life. The American capitalist corporation is, and feels itself to be, in a very different position. American philanthropy has never been stirred by the sensational evils in cotton and coal which brought about the English factory and mining laws. Legal regulation of the conditions of labor, where it exists at all, has been, and continues to be, an alien element in the American system, doubtfully constitutional and hesitatingly enforced. The indispensable administrative organization for any real enforcement of standard conditions is nearly everywhere lacking. Nor does public opinion wish it otherwise. Throughout the whole century, and right down to our own day, it has been possible to retain the complacent assurance, not too obviously contradicted by fact, that the native-born American, of Anglo-Saxon or Teutonic descent, was always able to rise to a position of command, and to earn a relatively good living. There is no evidence that the concentration of industry in great capitalist corporations, or the vast accumulation of wealth in the hands of a small class, has yet had any injurious effect on wages or on the other conditions of employment. On the contrary, there is some reason to think that so far, at any rate, as foremen and skilled workers are concerned, the change in industrial organization may be to their pecuniary advantage. In the comparatively few sections of labor in which the workmen's organizations have any real strength,—these being usually the higher grades, with some approach to a monopoly of skill or high technique,—it may well suit the capitalist corporations to buy off opposition by increased wages, which could not, in any case, make an appreciable difference in the total cost of production. Public opinion, moreover, keenly interested in the greatest possible development of the national industry, and strongly prejudiced against the interference of "labor-unions," will continue to operate against any effective strike. Thus, the rulers of
the great capitalist corporations are, within the industrial sphere, really able to do what they like with their own. When all the employers in a single industry from California to Maine combine into a single corporation, this leviathan is, indeed, perhaps the most perfect example of freedom that the world has ever seen. In the employment of labor, especially of a low grade, such a giant corporation may impose very nearly whatever conditions it chooses. Its power of "disciplining" any recalcitrant hand, or even a whole community, is terribly potent. It can shut down here and build up there, without let or hindrance. It can maintain whatever brutalizing or deteriorating conditions of labor that it thinks profitable to itself; it can disregard with impunity all precautions against disease or accident; it can exact whatever degree of speed at work it pleases; it can, in short, dispose of the lives of its myriads of workers exactly as it does of those of its horses. The workers may "kick"; there may be labor-unions and strikes; but against such industrial omnipotence the weapons of the wage-earners are as arrows against ironclads. This will be all the more certainly the case because it will suit the leviathan, as a matter of convenience, to come to terms with the small minority of skilled and well-paid workmen, who might have stiffened the rest. This is the condition of monopolist autocracy into which every great industry in the United States seems fated to pass, and to pass with great rapidity. A few thousands of millionaire capitalist "kings," uniting the means of a few hundreds of thousands of passive stockholders, and served by perhaps an equal number of well-salaried managers, foremen, inventors, designers, chemists, engineers, and skilled mechanics, will absolutely control an army of ten or fifteen millions of practically property-less wage-laborers, largely Slavonic, Latin, or Negro in race.

Now I do not predict, as a leading American economist is said to have done, that this freedom in autocracy will, within twenty-five years, produce an Emperor of America. But it is not difficult to see that, unless the United States learns a new lesson from the advent of the Trust, it is preparing for itself a
twentieth century such as Washington would have shuddered to think of. From the purely "business" point of view, even when reinforced by all the scientific economics of the college professor, there seems nothing to stop the triumphant progress of this capitalist autocracy. The great capitalists have no doubt thought this out, and are confident of their future profits. But what American capitalists always seem to undervalue is the influence exercised upon their profits by wide political movements. How little the Pierpont Morgans and Rockefellers of the time thought about the Abolitionists! Yet the outcome of the abolitionist agitation upset a great many capitalist schemes. Even the Bryan presidential campaign of 1896 cost the capitalists many millions in diminished trade, slackened output, and diverted energy. And so, the outsider ventures to predict, the advent of the Trust will lead to quite unforeseen hindrances to industrial development and quite unexpected deductions from capitalist profits, arising from the kind of civilization which it will produce and the political reactions which it will set up. Let us, therefore, examine more closely what America has to fear from the rule of the Trusts.

Notice, to begin with, that the advent of the Trust almost necessarily implies an improvement in industrial organization, measured, that is to say, by the diminution of the cost of production. Just as it was a gain to the community, from this point of view, for the myriad small masters to be merged in the relatively few capitalist employers, so it is a further gain to merge these capitalist employers into great Trusts or Corporations. The Standard Oil Company and the United States Steel Corporation represent, in fact, an improvement in industrial technique. So far as their organizations prevail, the world's work is done with less labor, less friction, less waste, than it was under the arrangements which they have superseded. There may be other disadvantages, just as there were other disadvantages when the handloom was superseded by the power-loom. But we must not let the drawbacks obscure the element of real progress. The rule of the great capitalist corporations secures the best possible organization of the work of the world.
But will the public be allowed to get the benefit of this industrial improvement? Is it not to be expected that the Trusts will put up prices against the consumer, and so levy a tax upon the world compared with which the exactions of government sink into insignificance? This danger seems to me exaggerated, and comparatively unimportant. It must be remembered that anything like absolute monopoly of production in the staple needs of the mass of the people is unknown, and practically impossible. The main products of the world are produced in too many different countries, under too many different industrial systems, standing at too varying grades of civilization, for any absolute combination into a single hand. A Trust may, indeed, easily come to dominate a single market. The remedy for any oppressive raising of prices is, then, to abolish the customs tariff, and to call in the foreign producer. The monopolist Trust, even in countries that freely open their ports to foreign products, can no doubt make large profits. But its profits will represent chiefly the economies in production brought about by its own formation. The consumer will not have to pay more than the consumer of the same article in countries not subject to the Trust, except by the amount of the freight, and probably, as we shall see, not even by so much as that. Hence we may expect the increasing dominance of the Trust to make for the abolition of protective duties. It is, indeed, not the consumer, as consumer, who need particularly fear the Trusts.

The competent, "pushful," native-born American will get on all right under this capitalist autocracy. He will, indeed, have to give up the chance of becoming his own master, and, practically, that of "making a pile." But what will be virtually the civil service of industry, the great salaried hierarchy of the Trusts, will offer a safer and, on the average, a better paid career for industrial talent, than the old chances of the market. Every man of skill and energy, competence and "go," will be wanted in the gigantic organization of the new industry. Brains will be at a premium. From the skilled mechanic right up to the highest engineering genius, from the competent foreman up to the
brightest railroad organizer, from the merely practiced chemist up to the heaven-born inventor or designer,—all will find, not merely employment, but scope for their whole talent, not merely remuneration, but salaries such as the world has seldom seen. And in serving their employers, they will be at least as directly serving the community as they are at present.

It is when we come to the great mass of wage-earners,—the ten or fifteen millions of day-laborers and ordinary artisans,—that we see the really grave consequences of industrial autocracy. These men, with their wives and families, must necessarily constitute the great bulk of the population, the "common lump of men." It is in their lives that the civilization of a nation consists, and it is by their condition that it will be judged. And, though the great ones never believe it, it is upon the status, the culture, the upward progress of these ordinary men that the prosperity of the nation, and even the profits of the capitalists, ultimately depend. What is likely to be the Standard of Life of the ordinary laborer or artisan under the great industrial corporations of the United States?

Now one thing is definitely proved, both by economic science and business experience. If the wages of common labor are left to "supply and demand," and are not interfered with by factory law or effective trade-unionism, we shall witness no improvement in the present conditions of life of the Pennsylvania miner, the Chicago sweat-shop hand, the day-laborer on the railroad, or the girl seamstresses sewing for dear life in New York tenement garrets. On the contrary, we shall see these conditions of life generalized over the whole range of common labor, male or female. We shall find wages everywhere forced down, for the ordinary, common, skilled worker, to their "natural level,"—that is, to the barest subsistence of the human animal from day to day. With this state of things will necessarily go the corresponding life, such as we see it already in the Pittsburg or Chicago slum. It is, however, needless to amplify the picture. To what awful depths of misery and demoralization, brutality and degradation, humanity can, under "perfect freedom,"
descend, we are scarcely yet in a position to say. Is this to be the contribution to economics in the twentieth century, of the country of Jefferson and Washington?

Fortunately for the world, the United States is not likely to make this experiment. The millions of common laborers, however poor and degraded they may be, or may become, are yet citizens and voters,—are, moreover, the inheritors, even if of alien race, of glorious traditions of manhood and freedom. That uncontrolled personal power which several centuries of struggle have displaced from the throne, the castle, and the altar, is not likely to be allowed to rule in the farm, the factory, and the mine. As yet, the American citizen still believes himself to be free, and sees not the industrial subjection into which he is rapidly passing. But it is not to be supposed that he will witness unmoved the successive failures of trade-unions and strikes, the general reductions in wages which will mark the first spell of bad trade, the manifold dismissals and "shutings down," the progressive degradation of his class. He will take up every wild dream and every mad panacea. He will be tricked and outvoted again and again. But, if so, the result will be a "class war" more terrible than any the world has seen, and one in which, though the ultimate victory will be with the common people, American civilization may go back several generations.

Yet America ought to avoid this catastrophe. The experiment has already been tried, and the remedy is known. If the people of the United States will but do that most difficult of all things,—learn by the experience of other nations,—they may get out of the Trusts all the advantages which these offer, without suffering the terrible calamity in which they unwittingly threaten to overwhelm American civilization. The remedy lies in what we in England are beginning to call the "Policy of the National Minimum." We must give up the idea of individual freedom of competition, which the combinations of capital have proved to be illusory, and take up, instead, the higher freedom of collective life. We must get back as a community what we have lost as individuals.

The Policy of the National Minimum translates itself into
four main branches of legislative and executive activity. There will have to be a national minimum of wages. The Trusts, or the other employers, will be under no legal obligation to employ any person whatsoever. But if they do employ him or her, it will be a condition of every contract, not to be waived or ignored, that its terms shall not be such as will impair the efficiency of the citizen or diminish the vitality of the race. To engage labor at wages insufficient to repair the waste of tissue caused by the employment is demonstrably to injure the community as a whole, and will be prosecuted as such in the criminal courts. Those whose labor is not worth the national minimum,—the aged, the crippled, and the blind; the mentally or morally deficient; the epileptic; and the chronically feckless and feeble-minded,—will be maintained by the community. Of all the ways of maintaining those unable to earn a full livelihood, by far the most costly and injurious is to allow them to compete in the labor market, and thus to drag down by their very infirmity those who are whole. There are still people, of course, who simply cannot imagine how a legal minimum wage could possibly be enforced, just as there were, sixty years ago, economists who demonstrated the impossibility of factory laws. As a matter of fact, the legal minimum wage can be seen in force today both in Victoria and in New Zealand.

There will be a national minimum of leisure and recreation secured by law to every citizen. It will be an implied condition of every contract of employment, rigidly enforced by law, that it shall leave untouched sixteen hours out of each twenty-four for needful sleep, recreation, exercise of mind or body, and the duties of citizenship and family life. Any attempt by man or woman to sell for wages any part of the sixteen sacred hours will be blamed as virtual embezzlement, since this part of the twenty-four hours day must be regarded as necessarily reserved for the purpose of maintaining unimpaired the efficiency of the race. Any employer purchasing them, or allowing them to be spent in his mill or mine, will be prosecuted and punished, as if he had incited to embezzlement or had received stolen goods.
There will be a national minimum of sanitation, enforced not merely on real estate owners or occupiers, but also on local governing authorities. The nation will find it preposterous that any city, merely out of stupidity or incapacity or parsimony should foster disease, or bring up its quota of citizens in a condition of impaired vitality. The power of the community as a whole, will, somehow or other, be brought to bear upon every backward district, compelling it to lay on pure water, to improve its drainage, and to take such action, even by municipal building if need be, that no family in the land shall have less than “three rooms and a scullery,” as the minimum required for health and decency. Along with this must go the adequate provision of medical attendance, skilled nursing, and hospital accommodation for the sick. Within a generation of the adoption of such a policy, the death rate and sickness experience shows a reduction of one third of what is at present endured as if it were the decree of Providence.

There will be a national minimum of education,—not merely in the provision of schools, but in genuinely compulsory attendance at them. Besides schools and colleges of every grade, there will have to be an adequate “scholarship ladder,” securing maintenance as well as free tuition for every scholar proving himself or herself fitted for anything beyond common schooling. And this provision will be enforced by the national power upon local school authorities as well as upon parents and employers. What right has any part of the community to allow any part of its quota of citizens to be reared in ignorance or to suffer even one potential genius to be lost to the community?

It is my deliberate opinion that only by the enforcement of some such national minimum of subsistence, leisure, sanitation, and education will the United States escape degeneration and decay. Where life is abandoned to unfettered competition, what is known as “Gresham’s Law” applies,—the bad drives out the good. To prevent this evil result, is, as America will discover in the twentieth century, the main function of government. To enforce the national minimum will, moreover, not interfere with the profits of the exceptional man, while it will enormously
increase the prosperity of the community. Nor does it abolish competition. What it does is to transfer the competitive pressure from the actual means of subsistence of the masses (where it works little but harm), to the intellect of every one who has any, in the degree that he has it (where it sharpens the wits).

This remedy for the dangers of the Trusts—the policy of the national minimum—involves, it will be seen, a great extension of government activity, a great advance in the efficiency of both legislative and executive machinery, and no little change in constitutional forms. All this will be difficult enough. Moreover, the consumer, as consumer, remains unprotected. It may, therefore, well be easier, in one industry after another, to take over the Trust into direct public ownership, as one nation or another has already done in the case of railroads, telegraphs, telephones, ocean cables, steamboat lines, water, gas, electric and hydraulic plants, and what not. One way or another the people must collectively control the industry by which they live, or both freedom and civilization will disappear.