Speech: [Intellectual Integrity]

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Now what are the intellectual and ethical effects of such practices? Are these practices seriously affecting the American character and mind? Consider the effect on the leaders of the trust movement themselves. Most important for these men have made themselves the most conspicuous and powerful class in America. They are an American type recognized the world over for the daring of their imaginations, the audacity of their undertakings, the brilliancy of their executions, the dexterity and coolness in evading legal and moral restraints. They are one of the most distinctive class America has produced—certainly they are to-day recognized the world over as our rulers. Now what have their methods made of these men? They have several significant characteristics which cannot be overlooked by students of the times.

First: As a class they recognize no obligation to the public. Their point of view was admirably expressed years ago by one of the ablest of them in a blunt expression which I suppose I should not repeat but, which amounted to a wholesale consignment of the public to perdition. That is, whenever a privilege is desired by them to further their ends they seize it without regard to the effect it has on the general good—both in indifference of the ideals and laws of the country. Consider some of the most general examples of this:

1. Take the railroad. It is a public highway existing by the consent of the people. It exists for all the people equally, like the streets and sidewalks—and the law declares it must treat all alike.
The concert of primitive common sense, or sense of fair play, should teach this. But the part of a good citizen is to uphold the interpretation of the law. Yet we have had for some forty years now a large class of men wilfully and persistently defying in practice their interpretation of the duty of the railroad by every possible means to prevent a more complete expression in the laws of this thing. So successful have they been that some of our greatest trusts, notably the oil trust and beef trust, exist in their present forms largely because of the great advantages they have secured in transportation over their rivals. They fought for these privileges, secured them, entrenched themselves more and more firmly in them until they have built up a system of special privileges so strong and so general that it is to all appearances impregnable. The injustice and the danger of the system has aroused the country again and again and for the last year its exposure has been the chief matter before our federal and state legislatures. And yet with the whole country in arms against this system, those who profit by it defy public opinion and struggle to perpetuate it. Can there be any more real and subtle and dangerous disloyalty in the part of a citizen than a persistent effort to pervert the common law or to prevent the passage of more effective laws for handling a condition in which there are great and acknowledged injustices? One can explain such action only on the ground of utter disregard and indifference of the social obligation.

2. The treatment of franchises by these gentlemen is another evidence of their contempt of the public good. The thing is very simple. We, the public, own the streets, but we want street cars, underground railways, elevated railways, gas mains, water mains, electric mains laid in them. Now shall we do this ourselves or allow individuals to do it for us? Obviously the business of supplying transportation, gas
and water is profitable. We have preferred to allow individuals to undertake the business. We have granted franchises - very long ones in some cases. Now who holds a franchise becomes a public servant - in a particular way. He is bound to make good to the public, but what part has the public in the thoughts of the Consolidated Gas Company of New York for instance? The highest prices - the poorest service - repudiation of taxes - this is its notion of serving the public. In fact it does not take the public into account except when forced to by one of our periodical outbursts of indignation. Once a franchise is secure and their attitude is that of an owner outright. They insist on acting with the franchise as they might rightfully with their own door yards. The public good, the obligation to the public, is dismissed from their minds, if it ever existed there.

We have had this utter lack of the social obligation illustrated most painfully for the last year or so in the revelations concerning the management of our great life insurance companies. The character of the business of life insurance has always been clear. It is a trust pure and simple. This fact has been used always by the companies in soliciting. The sacredness of this obligation and fidelity with which they discharge it are a large part of their advertising capital. They work upon the feelings of a victim until one allows himself to be insured in much the same spirit that he subscribes to a benevolent fund. Now the character of this benevolence has been pretty thoroughly analysed for us recently and a more vulgar and unscrupulous betrayal of a trust could scarcely be imagined. There is in this great business with its peculiarly sacred character and with its constant professions of fidelity, we have the most flagrant contempt of the obligation.
One of the most treasable forms of this lack of civic responsibility is the attitude of our corporations towards political parties - state legislature, the federal congress and the courts. It, of course, goes without saying in their presence that a citizen of a Democratic county of ordinary intelligence must realize that the preservation of an institution depends on keeping our political legislation and judicial machinery free from graft and directed towards the business of governing all the people. Any citizen of ordinary morality must realize that any effort to use this machinery for selfish purposes is immoral and unpatriotic. It would seem to be an A, B, C of citizenship and yet such is the indifference to our institutions on the part of a great many of our greatest captains of industry that they have for years used the governmental machinery of the United States solely for their own purposes. Many of the great corporations are democrats in one state and republicans in another. They are all active in preventing remedial legislations however obvious it is for the public good. We all know how difficult it is to get a bill through the New York legislature of which the one and only purpose is the improvement of the public service if any way that bill strikes at some unjust privilege of a corporation - witness the difficulty we have in securing proper gas and transportation legislation. We see now the sort of bribery of legislators that goes on the country over - witness the revelations concerning the use of money by the insurance companies recently - and these revelations are only examples of what we have all over the country at intervals. The attitude of these men towards our institutions is just as it is towards our railways and our franchises - something to be used for private gain and if the public protests sheer and send it to
II. Now indifference to or contempt of the public good practiced for private gain is something more than a brutality or nature; it is a stupidity. It is one of the best evidences we have of the very real limitations the present day commercial practices set on the intellect. A man would build up a business by the help of measures condemned as injurious to the public just to rest it on a support which he would realize if he were really intelligent would be taken away from him finally. To persist in these practices after repeated outbursts of public indignation as has happened in the case of concerns like the Standard Oil Company, the insurance companies and the railways, he should realize, if he were really intelligent is to invite violence, punishment, confiscation. It seems to me is a lack of foresight which really amount to stupidity. Has it been anything but a limited intelligence after all which has allowed certain men to go forward for years unheeding repeated warnings, practicing methods which as until recently divulged have driven them from the country - forced them to conceal themselves, or put them on to sick beds or into their graves. Conditions we have had illustrated most tragically in the last few months. Bombers in prison - suicide -

Is it not limited intelligence which keeps these men from seeing that the methods are at the root of present social unrest and that the growth of socialism and the demand for more and more restrictive legislation, more and more governmental control, all demands which they deplore so energetically are really a natural, an inevitable consequence of the special advantages they are getting at the expense
of the people at large. If the people cannot get what they believe is justice by demand, they will take it by force - that is proved if anything is by the history of the world. The history of the labor union in this country illustrates repeatedly how surely a righteous demand of labor denied by capital has been taken by force. Persistence in courses which are contrary to the public good always brings an over-thrown of the system. An effort to get a new way of running the machine which will prevent the old destruction. Not to recognize this and make the necessary concession is a stupid lack of foresight, a dullness to actual conditions which a first-class intellect cannot be guilty of. If we could ask the gentlemen who have gone under in the last two years of upheaval and exposure if they really think they have shown first-class brains in ignoring the public what do you think would be their answer? Would they not acknowledge that it would have been better business policy, if nothing else, to have recognized the public character of the railway - the right of the public to know more of the interior workings of corporations, the wrong of using money to secure or to defeat legislation, the support of boards of dummy directors. 

The effect of those practices is on the foresight and it seems to be fatal to the sense of humor. The explanations and the defense offered in the insurance examination for instance not infrequently started the auditors into laughter. One man whose management had been convicted of the grossest extravagance, to put it in the mildest way, deplored the investigation as an unmannery piece of business because as he said, life insurance was a kind of missionary enterprise! The gift horse should not be looked in the mouth I suppose. The concern
with a benevolent object should be above suspicion. Such a plea in
face of what had already been made clear of the gentleman's management
was an absurdity which set the country laughing and yet that plea
was evidently offered in sincerity. The man's sense of humor had
disappeared with his sense of honor. He had carried on the wholesale
millions of the great concern so long that he seemed to have come to
regard it as a vested right too sacred to be touched by the profane
hands of the law. And that man probably does not understand to-day
why his answer drew upon him the ridicule of the country.

But the answer was no more deficient in humor than the plea we
have been hearing repeatedly in the last two years from the lips of
those who were opposing investigation, "Let him who is without sin
cast the first stone.

As we look back to-day upon the career of young Mr. Hyde
which was the last straw which broke the public's endurance of suspected
insurance scandals, we are amazed a sense of humor if nothing else had
bombed our collective aPW-aqubeus
not put a question on his elegant and spectacular flippancy long before he
did. We realize now that Mr. Hyde was trained from boyhood
to be a living advertisement in academic, literary and social circles
of the Equitable Life Insurance Company. He was to endow colleges,
select French lecturers, give dinners to Ambassadors and balls to the
400 - all for the sake of the Equitable. It was young Mr. Hyde's busi-
ness to do as he did. His fault was the fault of youth and enthusiasm.
He overdid his part. Personally I think he came out of the sorry busi-
ness better than his elders. They had trained him and let go ahead
from folly to folly with a lack of humor in the absurdity of the method
they had devised so astonishing that it is almost unbelievable. It is
only equalled by the lack of taste - the desperate vulgarity of allowing
a dapper young agent to use the names of distinguished professors and
writers of our own and another country-to use the names of ambassadors
and senators and of great social leaders to faire le reclame - for
his business.

But the dulling of the intellect and the taste is not all
or the chief effect of these practices. The worst of it is the effect on the moral nature. These practices not only make men incapable
of the higher intellectual processes - the exercise of the finer
instincts, it makes men incapable of real personal integrity, for
integrity's sake, indifferent to the rights of others, insensible to
all moral distinction. The theory on which they base all their
operations we have recently had laid down frankly by an agent of a
body of very distinguished capitalists. Judge Hamilton of Albany
bitterly defended what the press calls the yellow dog fund-money spent
secretly in influencing legislatures. It was spent the said according
to a "higher law which great corporations have a right to command". Now
the man who considers himself as privileged to exercise a higher law
is, of course, free to bribe, to lie, to bear false witness, to put
his competitor out of business, get special privileges, franchises or laws
as suits him. If he acts under a higher law he should not be expected
to consider the public - the legal code, the ten commandments. That is
what we all at times want a higher law for - to free ourselves from
some restraining influence which an unfeeling society has put on us.
What is the inevitable result on the moral nature of the man operating
under the higher law - he not only becomes in essence what we call law-
less, he becomes cunning and treacherous, for in order to practice his
lawlessness without suffering the usual penalties he must practice artifices to conceal or disguise his practices. Nobody must know he is taking rebates so he gets his rebates through various devices — overpayment for mythical services, through private cars for which the road allows him excessive reductions, private switches, underbilling endless tricks which conceal the rebate while securing it. Nobody must know that his corporation is contributing to the National campaign fund, so he gives the money personally to a trusted friend who hands it to the chairman without comment. No record is made of it, only two men in the world know where the money came from. It falls like manna from heaven on the committee. Nobody must know that he is trying to drive a competitor out of a market so he organizes a bogus company, puts in unknown men as officers, orders them to run it as an independent concern and to represent themselves publicly as independents struggling against monopoly — it is this particular device that the young Attorney General of America — Mr. Hadley has recently traced down in detail to the confusion of our great oil trust. A pretty product we have — men lawless in essence and defending themselves if exposed by an appeal to a "higher law" — covering their lawlessness by tricks and lies and fakes. Morally such a man is a much more dangerous citizen and much less interesting individual than the out-and-out pirate who breaks the law and makes no bones about it. A pirate who flies his black flag, openly plunders and gets away if he can and if he can't takes his punishment like a man, is easy to deal with beside the slippery individual I have described.

There is another ethical phase to this type which is interesting. As we all know most of our captains of industry are liberal with their
money. They make generous bequests and endowments; they give to churches. I suppose their is a weighed motives in this. One reason for getting rich is that one may do more good—our captains tell us—so while they help fasten railroad discriminations, monopoly, political yellow dog funds and other abuses on us they endow hospitals, colleges, art museums etc., believing sincerely perhaps that on the whole they are doing more good than harm.

Unquestionably, too, their generosity is an attempt to square their own conscience with the public. However fully you may believe yourself under the operations of a higher law, it is not pleasant to be despised—to see your face in daily cartoons, your name handled scoffingly by petty paragraphers. Great endowments arouse gratitude, rightly so. Are we not all softened when we see a great free hospital for children or cripples, a great institution for medical research, a great museum, a great technical institution rearing its head? Whatever the method while that money was acquired we say, this will do good. The man who has been plundering us, does square himself to a degree with us by a wise and liberal gift and he knows it. More he knows he silence tongues. If I have grown rich on some peculiar form of special privilege and I endow Barnard College liberally and dangle a possible future gift before your eyes are you going to allow your lecturers to take me to task openly? It would not only be impolitic—that might not keep you silent—there would be something more potent, that policy restraining almost you as decency. It would be bad taste, so bad that it would amount to an immorality. Our gentleman recognizes all these things and times his gifts when they will silence the most tongues and divert most public opinion from his methods.
The most thing about the

generosity of the great Vital Trust

It is not altogether pleasant to contemplate. It savors strongly of hypocrisy and unquestionably its effect on a contemptuous public is wholly that of hypocrisy. The public does not deal in nice psychological distinctions. It does not seek far for motives. It does not stop to remember the man's parentage, early training, the ideals of the society in which he grew up - the association of his young manhood - the practices of the system. It takes the facts at hand - a future made by the aid of special privileges, by tricking legislatures, by lying and tricks and used in supporting churches, missions, hospitals and colleges. The combination is ugly to the plain man and he uses ugly words to characterize it.

Now these are to me the most apparent effects on the character of the men who practice our present commercial methods. If these men were few and scattered, they would not be dangerous but when we have a class of them - a dominate class too, it is something to think about.

But there are others than the leaders to think of. Behind them are the great bodies of men executing their plans. These men must know more or less of the methods practiced, frequently they are the wicked partners who do the practicing. These men are most of them young. What must be the effect on a great force of employees of knowing that the president of the concern to which they belong has perjured himself on the witness stand - that he has done it for the good of the business - that rebates are being taken in defiance of law and concealed under the form of private switches - of underweighing or other device - that funds are being used to influence legislatures? They must revolt against these things or get some explanation which will quiet
their minds. They usually adopt a terse explanation "business is business". You know what it means - nothing else than that the end justifies the means. That is, with a great body of young men in the country are being converted to the theory that money is so important that it must be secured at any cost. There has come to be a certain sacredness in property as something on which education, morality, happiness, religion - all are dependent - the one thing which one must have. Having money everything else will be added unto you - or if not money is sufficient in itself and you can get on without the rest. This is no fanciful putting. Not over four years ago I heard the substance of this argument put boldly and baldly to a company of several hundred fourteen year old boys of a trade school in a city by the most conspicuous man of that day - conspicuous for a salary of $1,000,000.

Of course all of the intellectual and ethical characteristics of the captains show in a greater or less degree in the armies under them. There is the same indifference to the social obligation - the same contempt of the public good. There is the same intellectual dullness, lack of humor, degenerate taste. They are interested in the practical side of things alone and in that only as it concerns themselves and families. It is the old stupid provencial notion that the whole duty of the young man is to "get on in the world" that is, to acquire a future and lead an outwardly orderly life.

It is a curious and interesting study to note how long generally the world outside of commerce, the academic, literary even the religious world, has been dull to the meaning of commercial practices, dazzled by the greatness of our commercial expansion most of us have been slow to
see what these things meant. We have accepted and rejoiced and lightly laughed away the croakers who warned us that these things meant trouble. We have all shared more or less the dulling of heart and mind which our present commercial practices require to live and thrive. We have all been muddled by our environment. It is the danger of living in corrupt surroundings. The brightest intellects suffer from their times. Arthur Symonds in his suggestive and acute chapter on Machiavelli notes this in regard to the great Florentine thinker. Machiavelli:

"While seeking to lay bare the spring of action, and to separate statecraft from morals, Machiavelli found himself compelled to recognize a system of invested ethics. The abrupt division of the two realms, ethical and political, which he attempted, was monstrous; and he ended by substituting inhumanity for human nature. Unable to escape the logic which links morality of some sort with conduct, he gave his adhesion to the false code of contemporary practice. He believed that the right way to attain a result so splendid as the liberation of Italy was to proceed by force, craft, bad faith, and all the petty arts of a political adventurer. The public ethics of his day had sunk to this low level. Success by means of plain dealing was impossible. The game of statecraft could only be carried on by guile and violence. Even the clear genius of Machiavelli had been obscured by the muddy medium of intrigue in which he had been working all his life. Even his keen insight was dazzled by the false effects to my mind are not Cesare Borgia."

the least serious of the evils which our trust system has brought upon us. Are these effects worth the economic results? I do not believe it.

All the economic goods which are claimed for the trust - economy of production and distribution etc., can in time be secured without the aid of their violent and illegal practices. They can be secured and the consumer can have his share of them which he does not now.

If they cannot be then they are not worth what they cost. In the long run there is nothing so expensive in dollars and cents as injustice and immorality. It piles up in the minds of men, generation after genera-
tion, and some day they'll pay for it as we paid for slavery - where to paraphrase Lincoln's fine sentence - all the wealth piled by the bondman's 250 years of unrequitted toil was sunk and every drop of blood drawn with the lash was paid by another drawn with the sword. We are paying a great price for the iniquities of our commercial system, paying in the blunted intelligence and the muddled consciences of a great body of our most energetic and resourceful citizens, paying in a general indifference to law, in a general disregard of the social obligation, paying in an increase in sophistries and hypocrisies, paying, too, in a growing and threatening unrest of those who feel themselves wronged. The price is too large to pay for what the trusts material advantages we gain.