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The Nationalizing of Business, 1878-1898  
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CHAPTER I

Aim and Subject Matter of Conferences

I am here to conduct what may be called an educational experiment. Come as an outsider, a non-academic person, belonging to the profession of journalism, I am injected for these six weeks into a community which necessarily follows a thoroughly organized and carefully thought-out plan of work. This plan is the result of long experience. Like all institutions of society it changes slowly. My very presence here, however, is proof that the authorities and friends of Knox College are not unfriendly to experimentation.

The success of the conferences which we are opening will depend, in my judgment, chiefly upon the enlarged view that they may awaken not in what I am talking about but in the subjects to which your time must necessarily be devoted at the College. That is, I should say that these conferences will be of little use if they do not give you a stimulus and a broader sense of the usefulness of your regular subjects. I have an idea that a visiting professorship of this kind ought to have about the relation to the business of your daily life as a bit of travel has. It may not happen to you, but it has to me and it does to many people that your first voyage to a new part of your own country or into a foreign country opens your eyes to that which one has at home.

I have known people to live in blindness to a charming old Colonial church in a community which their ancestors had founded and never know that the thing was interesting and beautiful until they had traveled into other countries and been asked to look at their churches, then to wake up to the fact that the things about them are full of meaning and interest and even of beauty as well as the same kind of thing in other lands.

I can very well remember the illumination it was to me, to my interest in the natural things about me when, years ago, I saw around the town of Pullman near Chicago the first scientific planting of shubbery that I had ever seen. I had lived in a rather pioneer community. I had always been interested in our native plants, but they were common things. I went to Pullman where this very beautiful planting had been done, and I saw there among many rare bushes that I did not know, something that I had known all my life - an elderberry bush - given a place of honor along with the rare things.

Now, I should hope that this course may possibly be a-kind of elderberry bush, opening your eyes just a little possibly to the wealth and value and interest of the studies that you must follow in order to get a degree from this College.

The material that I will use in this course is almost accidental. That is, it might have well been something else - a different kind of thing. When I had the honor to be invited, I was much engrossed with a book that I am writing. It seemed to me that the material of this book might not be uninteresting for us to talk about, for various reasons which I will explain. One reason that it seemed to me it might be useful was this fact, that it was a

book in the making, and that as we go on talking of the various subjects which we shall, I hope, I might be able to give you some practical notions of how books of the nature of this one are made - of the way the writer gathers his material, of the extent of this material, of the importance of digesting, of selecting, of the sense of relative values of the materials gathered, of what is tangible and what is intangible in the make up of such a book as I have under way. It is important for young people who are in the process of education to become familiar with the process of presenting to the public anything that they may be interested in, through the medium of articles and lectures.

Some of you may be going into business. Make no mistake - your business will be presented to the public by the written word, by pamphlets, sometimes by very elaborate books. So, you see, I am taking you into my library in a sense and showing you something of the kind of labor that the writer of historical, biographical, economic treatises, that is, the field in which I have worked, something of what this writer must do.

The particular book for which I am gathering material which I hope you will find interesting enough to discuss with me in these conferences, is one of what seems to me one of the most valuable series that has ever been attempted by American students. Its general title is "The History of Civilization in the United States." It sets out to give a picture of American life from 1492 down to the present day. There is nothing, big or little, that concerns the men and women in America in these 436 years that cannot properly be said to belong

in this History of Civilization. It is supposed to deal with the things of which life is made up, with the land on which a man works, the trade he follows, the business which absorbs him, the kind of town or countryside in which he lives, what his material and intellectual advantages and disadvantages are. It deals with the way he goes about, his horse, his boat, his stage coach, his railway. It shows how he responds to new things that come through invention or developments of certain kinds. How he breaks ground, moving on into the North, the South, the East, the West. That is, how he opens the country, - what he does about schools, churches - the way he appeals to the government, supports it according to the way it serves this life of his. There is no community in the U.S., nothing that has happened in the U.S. really is foreign to the series.

Now this 436 years has been divided into segments, and each segment has been given to a different writer. The first 348 years, i.e., from 1492 to 1830, is covered in five volumes; but, beginning with 1830, the editors of the series felt that the periods should be shorter - about 20 years - if these times to which this period may be said to belong, should be adequately covered. You will get something of the notion which the editors had in mind if I read to you the list of subjects treated in the seven volumes from 1830 up to the present day (See "General Suggestions.")

Now, in this series, the book which I was asked to write covers the period from 1878 to 1900. In the forecast, "The Era of Big Business" is the title first attached to this volume; whether it will permanently stand or not I do not know. At all events, it deals with that period in our American life in which under the influence of the idea of the strength and power which come through combination, the old American individualism in enterprise began to yield to combination, and we began to have that type of thing which we call "Big Business."

Our period begins in 1878, as I have said, and when it begins we already had in the country Big Business well started. The principle of combination was at work in the railroads, in the telegraph. Practically complete combinations, that is, aggregations of all of the enterprises in certain particular lines had been combined in a few cases under one leadership, such as oil, which was a practical monopoly at this period, that is, by 1878, as well as whiskey and salt.

But it was not only inside business that this achievement by combination was at work. The Big Businesses that had been built up by this time had aroused fear and wrath for many good reasons which we will take up later, in the minds of the public. Two classes of people in particular had been frightened by Big Business. One was the farmer, who felt himself suffering from the combination of the railroads and manufacturers which served him. The other was labor which had begun to realize that in many lines the old day of 'Take a job or

leave it' which he had held to as strenuously as his employer, was past, that he must work in gangs, without the chance for individual bargaining. And so by 1880 he had begun to get together, that is, the same principle which was the motive power behind the great railroad men, the great manufacturers like Rockefeller, was beginning to be employed by the farmer and the laborer as defensive tools - defensive and offensive.

Another exhibit of this idea of combination beginning to flow at the opening of our period is what may be called the idealistic. - Men seeking for some kind of a scheme for organizing society by which the inequalities, hardships, wrongs could be avoided, watching what already was being accomplished through a monopolistic handling of great enterprises like the railroad, of a great commodity like oil, began to say to themselves, "Why cannot society be run in this way? Only the people shall own - they shall be the dictators. The whole productive world shall be organized as the Standard Oil Company seems to be organized, and be run for all." That idea came to us from Europe, and this is about the way it began to affect the thinking of a few Americans interested in working out a better form of life for the masses.

As we shall see as we go on, combinations penetrated practically the whole of American life. The principle was handled roughly and cruelly frequently though not always. There were those who insisted it should be stopped, that men should be forbidden to combine, the power was too dangerous. There were others who insisted that it could not be stopped, which of course was true. Combination,

co-operation is one of the fundamental forces in society. It is as basic as the idea of competition. The difficulty was for men to find a way both to cooperate and to compete. Already at the opening of the period individuals of great force were becoming familiar to the public - whatever of good or of evil came out of Big Business was attributed to them. Popularly they were treated as if they were the inventors of the idea of combination, and there were those among them that possibly regarded themselves as such, the discoverer of what it meant. There was something of that in John D. Rockefeller.

In these conferences, however, I hope we shall be able to see more clearly than perhaps any of us do at the moment, that there were none of these men, powerful as they might be, who for long could control events even in their own industry, that the ideas coming out of the mass, the events arising constantly without any warning, might at any time upset the calculations of the most powerful of leaders in Big Business. That is, that ideas, principles, ideals, the inventive mind of man, is vastly greater than the greatest that we were producing. How they were forced to shape themselves to these outside influences which they often began by despising and sometimes died despising, ought to be one of the most valuable of our inquiries. I feel, too, that all the way through our conferences, we ought to be turning up proofs of what may be called the time binding quality of our period. We ought to see - look for the way what happened in these 20 years comes logically and inevitably out of what happened in

the 20 years before. Moreover, what is happening in the world today as we know it is a more or less direct result of what happened in the period which we are examining. That is, these conferences are a study in time binding, or what we usually speak of as cause and effect.

I hope we may convince ourselves, too, first, of something that is a warning, that the evils of our particular time, the alarms, the discouragements, had their counterparts in the period we are studying, the period just before the one in which we are now living - that there is an enormous similiarity between these alarms, these discouragements, so that at times one is compelled to ask himself, Do men ever learn anything at all?

But, as we go deeper into the period, and if we have time to compare what was happening in our 20 years with what we know is happening around us today, we may carry away the heartening conviction that many of the evils of the 20 years that we are studying have been in a large measure corrected, and that out of many of the things that caused men or groups alarms have come beneficent and wide-spread changes, that much that disturbed us in that 20 years was due to lack of knowledge, lack of foresight, lack of imagination, which events have demonstrated.