

Rhetoric and Rage
Over the Division of Wealth
in the Eighteen Nineties

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WITH THE LATER DECADES of the last century the cluster of agrarian beliefs and values, long-held, began to lose cogency. For one thing the area of free land upon which these dogmas relied diminished. Early in the mid-nineties W. D. Howells, the novelist, was complaining that 'the public domain, where in some sort the poor might have provided for themselves, has been lavished upon corporations, and the millions of acres have melted away as if they had been a like area of summer clouds.'¹ At the same time manufacturing and business were leaving behind the simpler technology of local grist and saw mills and even iron forges. Petroleum, steel, and rail transportation were big business operating on at least a regional, if not a national scale. Business organization could no longer rely for capital and management upon direct ownership by individuals or simple partnerships. Enterprise became corporate, and corporate business awakened the century-old nightmares of monopoly. As America became more industrial and commercial and less agricultural the fears and anxieties of farmers heightened at a time when their ability to influence their own destiny and culture diminished. Wealth was no longer synonymous with

¹W. D. Howells, 'Are We a Plutocracy?' *North American Review*, CLVIII (1894), 194.

land; it acquired a new dimension. In simpler days the enumerators of the decennial census had once calculated national wealth by inferences based on appraisals made by listers and tax collectors upon tangible, visible things like houses, barns, cattle, urban and rural real estate; these officials, state and local, now confronted a vast, largely secret tangle of 'personal property,' of debts, claims, securities. Although the national censuses of 1880 and 1890 introduced a new sophistication, a more informed imagination, and a more thorough procedure in the collection of statistics about wealth, there were still gaps and contradictions aplenty as contemporaries charged.² But if one accepts the figures 'in a general way,' as the census of 1890 pled with readers, the enumerations showed a 'continuous increase in the wealth of the nation,' the exact proportions of which can not be measured.³ The totals were impressive. M. G. Mulhall, an Irish and popular compiler of a sort of *Reader's Digest* of statistics, announced in 1895 that there is 'nothing in ancient or modern history to compare to the wealth and power of the United States' and 'the rest of mankind marks with wonder and admiration the onward march of the Great Republic.' The application of steam power to industry and transportation, a level of agricultural technology enabling one man in America to feed 230 persons whereas in Europe that ratio was only one to thirty, and a superior 'intellectual power,' at least as measured by expenditures for schools, accounted for a national wealth estimated in 1890 as sixty billion dollars more or less and a per capita wealth of \$1,039.⁴ Even those who censured the progress, here set forth, admitted, 'so far as our ability to create wealth is concerned, no one need complain.'⁵

² United States Bureau of the Census, *Report on Valuation, Taxation, and Public Indebtedness . . . Tenth Census* (1880), VII, Pt. 1, pp. 9-15.

³ United States Bureau of the Census, *Report on Wealth, Debt and Taxation at the Eleventh Census, 1890*, L, Pt. 2, p. 11.

⁴ M. G. Mulhall, 'Power and Wealth of the United States,' *North American Review*, CLX (1895), 642-648.

⁵ H. E. Taubeneck, 'The Concentration of Wealth. Its Cause and Results,' *Arena*, XVIII (1897), 291.

With changes in its background and in its own nature, wealth turned in the later nineteenth century a new face to America. When analysts frequently spoke of the 'social problem,' they were not talking of prostitution but of the way in which wealth had been distributed and how now it ought to be divided. For their complex judgment a mere statement of the per capita wealth in the nation was as irrelevant as the often repeated cliché that the rich were getting richer and the poor poorer was false. There had been men of great wealth—the names of John Jacob Astor and Stephen Girard float quickly to the surface of the mind—in the America of the early nineteenth century. But after the Civil War their number multiplied. Statistical precision for the whole of the United States and for all dates is lacking. To ascertain, for instance, how many millionaires there were in the immediate post-Civil War years is to wander through a thicket. Whatever the total may have been, it was safely less than in the nineties when the 'ready-reckoners whose figures cannot be wrong,' to use the derisive epithet of Howells, were better informed or better guessers.⁶ Stung by the contemporary charge that the protective tariff was the source of wealth, the *New York Tribune* published in 1892 a pamphlet containing a *List of Persons Reputed to be Worth a Million or More—Lines of Business in which the Fortunes were Made*. The United States millionaire total was 4,407.⁷ The publication had the merit of canvassing all states and areas rather than confining the count to such financial centers as New York City. But the names and other data were not contributed by the rich men themselves but by informants who, we may assume, were local journalists and smaller businessmen. The word 'Reputed' in the title was well chosen. Contemporary critics of such compilations thought they included perforce an element of exaggeration. E. L. Godkin, edi-

⁶Howells, 'Plutocracy?', 195.

⁷*New Light on the History of Great American Fortunes. American Millionaires of 1892 and 1902*, Sidney Ratner, ed. (New York, 1955).

tor of the *Nation*, detected in America a tendency of popular rumor 'to magnify all fortunes above \$2,000,000.' In order to get as much excitement as possible out of its curiosity about millionaires opinion 'always makes the fortunes as large as popular credulity will bear.'⁸

In any case, with the nineties millionaires became plentiful enough to be seen and rich enough to startle. At the other extreme were the poor. Indeed one statistician began his calculation of the wealth of the rich by subtracting the wealth of the poor and others from the national total. All these new things—industry, corporate wealth, urbanism, large working forces, millionaires—bothered one observer: 'we may not be able to formulate the grounds for our belief, but we do believe, or feel with an instinct that amounts to certainty, that all this is out of harmony with the spirit of American institutions, and that sooner or later, one or the other must go.'⁹ It was 'not strange' that a host of Americans asked the question, 'what shall we do with the millionaires?' The Reverend Charles Dole, a Congregational-Unitarian minister and author of *The Religion of a Gentleman*,¹⁰ canvassed the 'schemes' to 'get rid of the millionaires.' 'Tax them out of existence; fix a graduated income tax, so there could be no object to grow very rich; let society assume eminent domain over the land, so as to narrow their field of speculation and gain; let society also perform those functions of transportation and even of manufacture which hitherto have made individuals rich. . . . The presence of bad, piratical, luxurious, idle, stupid, wasteful millionaires is the most powerful stimulus to all these "schemes."'¹¹

As he wrote, the vanguard of the army of reform had already advocated some of these measures and refined, extended,

⁸ 'Millionaires,' *Nation*, L (1890), 7-8.

⁹ Joseph Lee, 'Expensive Living, the Blight of America,' *New England Magazine*, XVIII (1898), 54.

¹⁰ Charles Fletcher Dole, *Dictionary of American Biography*, V, 357; C. F. Dole, *The Religion of a Gentleman* (New York, 1900).

¹¹ 'What Shall We do with the Millionaires [sic]?' *New England Magazine*, III (1890), 432.

or complicated others. Henry George, editor, pamphleteer, and orator, had published *Progress and Poverty* in 1879. While the author acknowledged 'the present century had been marked by a prodigious increase in wealth-producing power,' with haunting eloquence he labored the point that this accomplishment had but widened 'the gulf between Dives and Lazarus. . . . So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury and make sharper the contrast between the House of Have and the House of Want, progress is not real and can not be permanent.'¹² In the analysis following this exordium, the author rejected as remedies the idea of inalienable homesteads given by the government or the universal regulation of everything by government, advocated free trade and government ownership of railroads, and found the chief 'cause' for the paradox of progress and poverty in the individual ownership of land. '*We must make land common property.*' Furthermore George proposed no grand auction of expropriated land. Instead he advocated a single tax upon the rent of the land, for rent was the creation of social action and growth. 'When all rent is taken by taxation for the needs of the community, then will the equality ordained by nature be attained.'¹³

One day in the year of Our Lord 2000, Julian West, a rich Bostonian about thirty years old, was translated unchanged through a series of coincidences including 'animal magnetism' into the twenty-first century. Dr. Leete, who has a title but no initials and a benevolent countenance, and the doctor's 'beautiful daughter' took Julian in charge. Soon they involved him in one of their interminable conversations over the features of the brave new world which Julian is perforce visiting. For this incident I have resorted not to the recent issue of *Daedalus* but to a romantic novel, *Looking Backward* and its sequel *Equality*.

¹²Henry George, *Progress and Poverty: An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth . . . The Paradox* (New York, 1955), pp. 3-10.

¹³*Ibid.*, p. 421.

The author of both works, Edward Bellamy, was a Boston journalist and he wrote the second book because 'I was not able to get into it [the first] all I intended to say.' Julian remarked that in the eighties there were reformers who believed society had the right to take in taxes all increase in the value of land resulting 'from social factors.' "Yes," said the doctor, "and it is rather odd that having hold of the clue, they did not follow it up." ' Bellamy certainly did and in a manner much more ingratiating than the revised economic principles of the dismal science as stated in *Progress and Poverty*. In Bellamy's utopia the state or 'national firm' had taken over all economic functions; there was no buying or selling or trade of any sort among individuals. All citizens between 26 and 45, men, women, and even the infirm were organized in industrial armies so directed 'that the fittest may lead or rule'; the income of everyone was the same; the receivers spent it through credit cards on state stores for the goods they wanted or needed. Though wealth was thus shared without stress or strain, the total wealth of the community was larger because Bellamy looked forward to the continuance of the scientific progress so common in the preceding centuries. Revolution, albeit a peaceful one, brought into being this improved order of things. Perhaps the best summary of this accomplishment was provided by Bellamy himself: 'The nation has, in fine, been organized for peace as at present for war.'¹⁴ In short, beneath all the cloying loving-kindness lay regimentation. Beyond the private monopolies which Bellamy detested lay a governmental monopoly of all economic enterprise. Both George and Bellamy founded movements.

However revolutionary its doctrine of equality, single-tax as a means was a compromise. Not surprisingly it appealed to business and professional men as well as idealogues.¹⁵ In an

¹⁴Edward Bellamy, *Looking Backward, 2000-1887* (Boston and New York, 1889); Edward Bellamy, *Equality* (New York, 1897); Edward Bellamy, *Digest of Looking Backward. Prepared by the Author* (Boston, 1889).

¹⁵Charles A. Barker, *Henry George* (New York, 1955), pp. 627-635.

exchange of letters with E.R.A. Seligman, well-to-do professor of economics at Columbia University, C. F. Adams, Jr., a millionaire, land speculator, and sometime president of the Union Pacific, deplored the manner in which the Single Tax had been 'brought out' (it lacked a Quincy, Massachusetts, by-line), but he 'reluctantly' came to the conclusion that it 'was the simplest, the fairest, and the most equally distributed system yet proposed of raising revenue. . . . Land is something different from all other kinds of property, "Every human being has to use it." ' So does 'every industry.' As far as the single tax is a panacea for social and human ills, it is the 'veriest trash.'¹⁶

Bellamy, too, had his followers, though not an Adams. Under the appellation 'Nationalist' the believers established Nationalist Clubs. Within a year the one at Boston, a sort of 'mother church,' was established; independent political activity under the same name was attempted here and there, and in 1892, when the Populists issued their famous manifesto of reform at their Omaha convention, a hostile critic labeled it 'an incoherent mingling of Jeremiah and Bellamy.' According to the Nationalists the cultured and conservative constituted their membership. But no leader with reputation, charisma, or a following enlisted in the crusade. A jaundiced appraisal said the Boston Club contained hardly a businessman; its membership was predominantly 'feminine, literary, and clerical.'¹⁷

This constituency should occasion no surprise, for a thoroughgoing alteration in the holding and use of wealth was by the nineties advocated or dreamed of by intellectuals or those along the fringes of the intellectual world. At a time like the present when the words 'social change' have become a substitute designation for history, it is not hard to imagine another time when the word 'social' was ubiquitous. Individuals advo-

¹⁶C. F. Adams, Jr., to E. R. A. Seligman, May 25, June 1, 1901, Seligman Papers (Columbia University).

¹⁷J. H. Franklin, 'Edward Bellamy and the Nationalist Movement,' *New England Quarterly*, XI (1938), 739-772; N. P. Gilman, 'Nationalism in the United States,' *Quarterly Journal of Economics*, LV (1890), 50-76.

cated a 'social ethics,' subscribed to a 'social theology' and perchance attended a 'social university.' Perhaps before undertaking any or all these functions, he consulted 'social statistics' or tested his actions by the 'social gospel.' Then as now the popularity of the word 'social' concealed a large measure of cant or thoughtlessness.

The social gospel, then in its heyday, was, however, a sincere if not a radical movement. Washington Gladden, a Williams graduate, author of the College's Alma Mater, 'The Mountains,' and Congregational minister, addressed himself to the problem of the distribution of wealth as one of the 'Christian economists' of the country.¹⁸ Relying upon the census figures of the per capita wealth of the country, Gladden declared: 'If all the property of this country were equally divided tomorrow morning, before tomorrow night thousands would be penniless, and some hundred would already be well on the way to fortune. The division would need to be remade every night—a rather troublesome bit of administration.' He quoted with approval Professor Roscher who instead of foreseeing, as did Bellamy, a new Boston of beauty, convenience, and communal living, forecast universal 'misery and want' within a generation and 'all men would have to content themselves with the gratification afforded by potatoes, brandy, and the pleasures of the most sensual of appetites.' According to Gladden the State should stand aside from measures to distribute wealth, with such exceptions as taxation for the general welfare, and rely instead upon the natural laws of trade and motives of humanity and goodwill. On the one hand competition meant the worker did not receive a 'fair proportion of the gains of civilization.' On the other hand it was idle to talk of abolishing self-love and self-interest, these 'self-regarding virtues' gave 'vigor' to Society. But the Christian should mix them with altruism. Operationally this involved an 'industrial

¹⁸ Washington Gladden, *Recollections* (Boston and New York, 1909).

partnership' with the laborers, 'giving them a fixed share in the profits of production.'¹⁹

From utopians through clergymen to professors struggling to attain a more defensible definition of wealth than that of Smith or J. S. Mill, the advocates of 'hortatory economics' constituted a mixed bag.²⁰ One amateur onlooker concluded they were generous but not analytical. 'From the Gracchi to Henry George the economic agitator has made no permanent contribution to the science.' In a statement I would commend to the young militants of our day, he concluded: 'the indispensable condition of social inquiry is that the process of observing things should be distinguished from the process of fixing things.'²¹

To be successful in a democracy these varied voices of discontent had to have a power base larger than themselves. Leaders have to have followers, spokesmen have to have someone for whom they speak. What, in short, was the popular opinion about the division of wealth? As always, this is a tricky question. The farmer in the furrow and the machinist at the lathe are presumably inarticulate or, more often, have few means to communicate their attitudes. So the investigator must infer and surmise. Let us hope in an educated fashion.

Operating on the assumption that, except in time of extreme stress, what is customary is the standard of what is right, the common man in the nineties distrusted and disliked the life style of the rich; he judged them by their expenditures. At a time when the annual money earnings of non-farm employees, if they were working, varied from \$386 in 1880 to \$492 in 1892 and the average monthly earnings with board of farm laborers varied from \$11.70 in 1880 to \$13.93 in 1890, an

¹⁹ Washington Gladden, *Applied Christianity. Moral Aspects of Social Questions* (Boston and New York, 1886), pp. 1-37.

²⁰ Charles A. Tuttle, 'The Wealth Concept. A Study in Economic Theory,' *Annals of the American Academy of Political and Social Science*, I (1890-1891), 615-634; J. B. Clark, *The Philosophy of Wealth. Economic Principles Newly Formulated* (Boston, 1886).

²¹ H. H. Powers, 'Wealth and Welfare,' *Annals of the American Academy of Political and Social Science*, XIII (1899), 192-193.

annual income of \$10,000 or 'even \$50,000' (shorthand for the income of a millionaire) was staggering.²² An inquisitive Massachusetts carpenter once asked the Chief Justice of the Commonwealth if it cost him nearly \$1,500 to keep his family for a year. The Chief Justice good humoredly replied that he would be glad if he could get along with twice that sum. He nearly paralyzed his humble neighbor who could only gasp, 'why Judge, that's wicked!'²³

The quality and purpose of expenditures, as well as their totals, astonished those who had to squeeze every penny to get by. 'The palaces planted in some of our mountain and seashore towns, the great lawns and gardens requiring the attendance of forty or fifty men, the four-in-hands whirling along the country roads, blowing horns to warn all humbler vehicles to clear the way, the great yachts with their crews awaiting the rare visits of their owners,' filled other people²⁴ than Thorstein Veblen with distaste though it did not provide the ability to write a systematic treatise, *The Theory of the Leisure Class*, formulating the laws of 'conspicuous waste' and 'conspicuous leisure.'²⁵ These were such puissant phrases they have passed into the vernacular. However 'merciless' Veblen's analysis may have been, it was not inclusive nor did it capture all popular complaints. One object of popular censure was the big or the costly house. Opprobrium, other than aesthetic, fell upon W. H. Vanderbilt for his 'luxury and folly' in building his Fifth Avenue Palace at a cost of \$5,000,000 and buying a neighboring house to tear down and replace with a garden at the cost of additional millions. Apologies, other than those of architects, for this performance asserted that a man of ordinary fortune was commonly held 'reasonable' in spending a tenth of

²² Stanley Lebergott, *Manpower in Economic Growth: The American Record since 1800* (New York, 1964), pp. 528, 539.

²³ 'The Unspeakable Millionaire,' *Nation*, LXI (1895), 22-23.

²⁴ Lee, 'Expensive Living,' 54.

²⁵ Thorstein Veblen, *The Theory of the Leisure Class. An Economic Study of Institutions* (New York, 1899).

his income on his habitation and that Vanderbilt had not exceeded that percentage.²⁶ The *Nation* derisively inquired if Vanderbilt were to be punished for building an expensive house without consulting the people who had an 'economic right' to be consulted and whether for millionaires sumptuary legislation should set a maximum expenditure of \$50,000 for paintings, \$5,000 for a statue, and require all their books to 'be bound in cloth.' The notion that millionaires are 'a social curse and ought to be abated by law leads straight to communism.'²⁷

Among the features of an outrageous life-style the way one's hair is dressed apparently achieves a unique importance. There is a fetish about this item that makes it more than a mere fashion. True today, it was also true of the rich in the nineties, though the earlier extremism took a different form. Not long locks but hair parted in the middle was the offense. In a debate on a revenue act, a Congressman from Missouri informed his fellows that he would tax mightily men 'who part their hair exactly in the middle. I do not mean the man who parts it as widely as I do mine. I mean the man who does not allow seven hairs on one side and eight on the other.' The interpolated ['laughter'] showed the sally had made its point.²⁸

When even so sophisticated an observer as Godkin asserted wealth from investments in stocks and bonds led to 'absolute idleness' for the few and a resulting restlessness and rootlessness expressed in travel, entertainments, and 'love-making under more or less illicit conditions,'—in sum a life of 'polo and tennis and flirtations'—the amassing of wealth was hard either to explain or justify. One could hardly account for the phenomena by the copy-book maxims of thrift and industry, for 'what goes on in this *milieu*, makes hay of all noble standards of individual and social contact.'²⁹ Nor was the addition of luck

²⁶ 'Mr. Vanderbilt's Expenditures,' *Spectator*, LXXIV (1893), 128-129.

²⁷ 'The Unspeakable Millionaire,' 23.

²⁸ Remarks of Congressman Hall of Missouri, January 29, 1894, *Congressional Record*, XXVI, Pt. 2, p. 1611.

²⁹ E. L. Godkin, 'Idleness and Immorality,' *Forum*, XIII, (1892), 338-343.

which the Horatio Alger myth blended with old virtues a satisfactory explanation. Discontent adopted a different exegesis for the puzzle. There were semantic distinctions galore but they usually boiled down to the antithesis stated by the uneasy Howells, 'it is right to earn money, but wrong to make it. Business is a way of making money. No man gets rich by his own labor.'³⁰ Or, as Senator Peffer of Kansas put it: 'No man ever earned a million dollars in a lifetime.'³¹ Yet the existence of large fortunes was a visible fact. The accumulation of wealth must consequently be due to 'unfair' methods—stockwatering and usurious interest rates, for example. It must be due to governmental favoritism. The 'lords' who bestrode the economic world, in some way never precisely described, had a similar power over the government. 'Congress has so shaped our laws that the wealth has been legislated out of the pockets of the masses and into the pockets of the classes.'³² A somewhat less frequent argument was that all existing employer-employee relationships were not voluntary but based upon the employees' necessity of working to get bread. The wage-earners were in fact 'slaves.' Though no American agitator coined as pithy a phrase as did the French social reformer F. J. Proudhon, 'Property is theft,' their indictment in the nineties added up to the truisms: Wealth is fraud, wealth is privilege, and wealth is exploitation. They described their proposed remedies for these inequities as a 'revolution.'³³

Though here and there in specific localities or measures the historian can detect the influence of the goals these apostles of reform had set for themselves, their greatest tangible achievement in the nineties was the Revenue or Tariff Act of 1894. For this unlikely success, a fortuitous conjunction of events opened the way. The government faced a deficit, whether na-

³⁰Howells, 'Plutocracy?', 185.

³¹Remarks of Senator Peffer of Kansas, June 21, 1894, *Congressional Record*, XXVI, Pt. 7, p. 6635.

³²*Ibid.*, p. 6635; Taubeneck, 'Concentration.'

³³Bellamy, *Equality*, pp. 79-89; Remarks of Senator Voorhees of Indiana, April 2, 1894, *Congressional Record*, XXVI, Pt. 4, p. 3400.

tural or artificial is irrelevant except for partisans. To raise the necessary income by increasing existing tariffs on imports was politically unfeasible. The McKinley tariff of 1890 had already pushed the levels to a protectionist high. The domestic economy had stuttered badly in the panic of 1893 and with hardships hitting both industry and agriculture, there was a widespread concern with the poor and the need of relieving their distress and of getting the economy rolling again. The Democratic Party under Cleveland had become the party of tariff reform. Their platform in 1892 was so explicit and intense in condemning the McKinley tariff that it seemed to promise action; the Populist party convention at Omaha was brief: 'We demand a graduated income tax.'³⁴ Cleveland won the presidency; the Democrats controlled the House and the Senate, the latter narrowly; and the Populists, depending upon how you count or define them, had twenty-two electoral votes and a handful of Congressmen. William L. Wilson, Chairman of the Ways and Means Committee in the House, mixed these ingredients into a bill which passed the House. The bill placed many commodities—wool, iron ore, coal, lumber, and sugar—on the free list. The motive for these changes was to lower the cost of living for 'the plain, common people.' To redress the resulting reduction in government income, the bill levied upon persons for five years a tax of 2 per cent upon 'all gains, profits, and incomes' above \$4,000 and a like percentage upon the net profits and income of corporations, but not partnerships.³⁵ A Congressional contemporary observed of Wilson, a sometime college professor and college president, 'The school master is abroad in the land and the masses are awakening to a consciousness of their rights and to a remedy of their wrongs.'³⁶

³⁴ *Appleton's Annual Cyclopedia and Register of Important Events of the Year 1892* (New York, 1893), pp. 751, 753.

³⁵ F. W. Taussig, *The Tariff History of the United States* (6th ed., New York and London, 1914), pp. 284-320; F. P. Summers, *William L. Wilson and Tariff Reform* (New Brunswick, New Jersey, 1955), pp. 172-186; 28 *United States Statutes*, 553, 556.

³⁶ R. Q. Mills, 'The Wilson Bill,' *North American Review*, CLVIII (1894), 238.

In the Senate a few members sought to amend the act by starting with a tax of 1 per cent upon incomes of \$4,000 and adding an additional 1 per cent at \$10,000, \$25,000, \$50,000 and \$100,000. The sacrifices exacted from receivers of \$100,000 could be met if they reduced expenditures 'for luxury and charity.' In any case this amendment proposed a genuine graduation; tax payers would support the government according to their means. Only five Senators, a hard core of Populists or proto-Populists, voted for it.³⁷

The genuinely innovative feature of the bill was the income tax. The experience of the nation with this device during the Civil War had been inconclusive, for it was a war measure and its operation outlasted only briefly the end of the war. Now set amidst the many provisions of the Revenue Act of 1894, the significance attached to the income tax naturally varied with its supporters. Wilson's concluding addresses before the House were primarily concerned with the general lowering of duties and their effects upon the nation's economy. The income tax, in this context, was conceived 'to balance the weight of taxation on the poor consumers of the country who have heretofore borne it all.'³⁸ Because he feared difficulties of administration Wilson initially hesitated to levy an income tax upon persons; these doubts did not apply to corporations, since they had received so many favors from the government.³⁹ Far more illustrative of the deeper factors involved was the address of Senator Voorhees of Indiana who managed the House bill in the Senate. Voorhees certainly gave the income tax long historical perspective. 'Sir, the first income tax known to history was of a higher origin than aught assigned to earth, . . . For the support of his own government among the children of men in the beginning, the Supreme Ruler of the universe tithed His

³⁷ *Congressional Record*, XXVI, Pt. 7, pp. 6634-6639.

³⁸ Speeches of W. L. Wilson, January 8, 9, February 1, 1894, *Congressional Record*, XXVI, Pt. 9, appendix, pp. 193-201, 203-205.

³⁹ W. L. Wilson, 'The Income Tax on Corporations,' *North American Review*, CLVIII (1894), 1.

whole people—taxed them one-tenth of their entire possessions; nor did statesmen and lawgivers of the school of Moses, Aaron, and Joshua and of Abraham, Isaac, and Jacob denounce its principles.’ In his peroration the Senator reminded his hearers he was speaking on the birthday of Thomas Jefferson ‘one hundred and fifty-one years ago to-day, he came into the world the greatest emancipator of thought, philosopher of liberty, and teacher of the natural rights of man ever known in human history. . . . All hail the counsels of Thomas Jefferson in this hour of caste based on wealth, of privilege granted by law, and of monopoly fastened on the slavery of labor.’⁴⁰

According to the record each of these speeches aroused intense applause and excitement. After Wilson’s, indeed, his supporters carried him from the chamber on their shoulders. Among the bearers was William J. Bryan. It would be fittingly dramatic to conclude this essay on this note of hurly-burly. As things turned out it was anticlimax. The Senate, while it mutilated the reform tariff of Wilson almost beyond recognition, left the income tax intact. Cleveland, though dissatisfied with the measure, let it become law without his signature because it was the best he could get. After involved judicial proceedings, however, the Supreme Court decision, *Pollock v. Farmers’ Loan and Trust Company*, in 1895 declared the income tax unconstitutional.⁴¹ Comment upon this decision by many historians has generally focussed upon the briefs of learned—and cunning—counsel, and the concurring opinion of Mr. Justice Field, who declared: ‘the present assault upon capital is but the beginning. It will be the steppingstone to others, larger and more sweeping till our political contests will become a war of the poor against the rich: a war constantly growing in intensity and bitterness.’⁴² Field should not have

⁴⁰Remarks of Senator Voorhees of Indiana, April 2, 1894, *Congressional Record*, XXVI, Pt. 4, pp. 3398–3399.

⁴¹*Pollock v. Farmers’ Loan and Trust Company*, 157 *United States*, 429.

⁴²*Ibid.*, 607.

been so emotional, so frightened, and so reactionary.⁴³ Granted the income-tax law, as written, was but 'a feather-weight enactment,' as Voorhees put it, even the *Nation*, which kept a sort of poise during the bustle of reform, thought the intention of the income tax was 'to make it less pleasant to be rich' and 'to discourage the heaping up of wealth.'⁴⁴ But unless we are to put aside as rhetoric all references in speech and print to the threats of sectional and class conflict, to the dooms which overwhelmed Rome and other forms of government earlier than the American, to the the 'revolution, now in progress,' the Justice had something going for him.

In any case the movement for the redistribution of wealth through taxation and otherwise came to the end of the trail with only dust in its hands. It is hard to explain why the reform accomplishment was so negligible and so empty, at least from the short-term point of view. Though others may have defined the goal differently, the reformers had laid hold of an instinctively held American ideal, that of equality. It had dedicated leaders. Though Bellamy may have written little more than the 'fairy tale of social felicity' he intended, others, like George and some of the 'Christian economists' were troubled but reasonable—nay moderate—men.⁴⁵ The army of reform had enthusiasm, and in many instances a passion for 'social justice.'

Such a movement is turned aside from success more often by events or facts than by counter-ideology. In terms of commonsense the proposal to divide the wealth obviously fell short of meeting the emergency. If wealth were a static mass of money, goods, and services, its division might, in terms of arithmetic, have been easy, but the size of equal shares would

⁴³Sidney Ratner, *American Taxation. Its History as a Social Force in Democracy* (New York, 1942), pp. 195, 200, 203-204; and Robert G. McCloskey, *American Conservatism in the Age of Enterprise* (Cambridge, 1951), pp. 16-17.

⁴⁴'Economic Fiction,' *The Nation*, LX (1895), p. 215; Voorhees, Remarks, p. 3398.

⁴⁵Nicholas Gilman, 'Nationalism in the United States,' *Quarterly Journal of Economics*, IV (1889), 65.

have been too small to constitute a solution for this 'time of troubles.' Gladden, to mention no one else, was aware of these difficulties. Furthermore, the more people focussed upon the expenditures of rich men, the more they ignored the 'facts of life.' As Charles Elliott Perkins, president of the C.B.&Q., remarked with icy precision, the money rich men accumulated 'does them personally very little good—a small part of their incomes may be wasted in show or champagne, but most of it is invested in some form of industry, which directly benefits the masses by making something cheaper.'⁴⁶ In the nature of the case the rich are the 'savingest' portion of the community and through investment, management, and technology their capital increases the totals of wealth. Americans realized this, particularly organized labor. In the nineties the American Federation of Labor nearly fell apart over the issue of production and distribution, over public or private organization of industry. Guile as well as argument determined the outcome of this quarrel aired in the annual conventions of the organization, but eventually the advocates of the existing order of things won out. Organized labor elected to seek a larger share of the visibly enlarging production. Eventually Sam Gompers, more a fixer than a doctrinaire, was addressing the Socialists: 'I declare it to you, I am not only at variance with your doctrines, but with your philosophy. Economically, you are unsound; socially, you are wrong; industrially you are an impossibility.'⁴⁷

The generation of the nineties was not stupid. It experienced at first hand the hardships and maladjustments arising from rapid economic change. Perhaps those who suffered most or were most sensitive turned to accustomed ideals, whether wearing the garments of utopia or not, for a way out; the redistribution of wealth was one proposal. If in the decade of the

⁴⁶ Edward C. Kirkland, *Dream and Thought in the Business Community, 1860-1900* (Chicago, 1956), p. 48

⁴⁷ G. N. Grob, *Workers and Utopia. A Study of Ideological Conflict in the American Labor Movement, 1865-1900* (Evanston, 1961), pp. 171-182.

nineties this goal never attained the stature of a feasible issue, the failure remained somewhat of a puzzle. The title of George's book, *Progress and Poverty*, stated the dilemma succinctly. Whether or not the remedy he suggested was correct as explanation or cure, historians have been prone to accept the explanation that distress caused the discontent and turmoil of the nineties.⁴⁸ Surveying the course of development in 1895, the *Nation* advanced an alternate theory:

It appears to be requisite to the complete and symmetrical development of human nature that it should be constantly furnished with some object of horror and reprobation. From the days of Gog and Magog down to the present time, no community has been so backward as to be unprovided with a bogey of some description. We have had our share of painful apprehensions in this country. . . . But the most popular bugaboo at present is the outcome of prosperity. After the Civil War was over, our people cheerfully set to work to get rich, and succeeded remarkably well. . . . But in the acquisition of wealth some succeeded a great deal better than others, and as it is easy to get richer when you are rich, their fortunes soon came to be large, and there came to be a good many of them. This was a consequence of prosperity which had apparently not been foreseen, and to the present generation it has become a positive nightmare.⁴⁹

But the *Nation* is only a single citation, conceivably an unreliable one. For, as Theodore Roosevelt once remarked, 'no man can read the *Nation* and remain a gentleman.'⁵⁰ Still by the nineties a proposal to share the wealth made more sense as an hypothetical cause for reform than one to share the want. At the same time the wealth of the nation, visibly enlarging, paradoxically sterilized the campaign for division.

⁴⁸My chapter, 'Panic and Pain,' in *Dream and Thought* is an arguable example.

⁴⁹'Unspeakable Millionaire,' 22-23.

⁵⁰R. T. Ely, *Ground under Our Feet. An Autobiography* (New York, 1938), p. 277.

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